

EAST BRUNSWICK PUBLIC SCHOOLS



Excellence in Academics, Athletics, and the Arts

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

760 State Highway 18, East Brunswick, New Jersey 08816

East Brunswick Public Schools

East Brunswick Board of Education East Brunswick, New Jersey

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Prepared by

Bernardo Giuliana

East Brunswick Public Schools
Department of Financial Services

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Introductory Section

East Brunswick Public Schools

760 Route 18
East Brunswick, New Jersey 08816

January 15, 2026

Honorable President and
Members of the Board of Education of the
Township of East Brunswick in the
County of Middlesex, New Jersey

Dear Board Members and Constituents of the Township of East Brunswick:

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

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart and a list of principal officials. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on internal control over compliance and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

East Brunswick School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The East Brunswick School District and all its schools constitute the District's reporting entity.

The District operates eleven schools providing a full range of educational services appropriate to grade levels K through 12. These include regular and vocational education, as well as special education for disabled youngsters.

The schools, facility ages, and grade-levels served are as follows:

<u>School</u>	<u>Year Built</u>	<u>FY2025 Grades</u>
Bowne-Munro Elementary School	1952	K to 4
Central Elementary School	1949	K to 4
Chittick Elementary School	1969	K to 4
Frost Elementary School	1965	K to 4
Irwin Elementary School	1957	K to 4
Lawrence Brook Elementary School	1959	K to 4
Memorial Elementary School	2012	K to 4
Warnsdorfer Elementary School	1968	K to 4
Hammarskjold Upper Elementary School	2009	5 & 6
Churchill Junior High School	1962	7 to 9
East Brunswick High School	1958	10 to 12

The District completed fiscal year 2024-2025 with an average daily enrollment of 8,137 students, or twenty-eight students less than the previous year's average daily enrollment. The following details the changes in the District's student enrollment over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2024-2025	8,137.0	(0.34%)
2023-2024	8,165.0	0.03%
2022-2023	8,162.0	0.86%
2021-2022	8,093.0	0.36%
2020-2021	8,064.0	(1.88%)

Enrollment fluctuates daily as students enroll in and withdraw from the District. Thus, the above average daily enrollment table provides the mean measurement of enrollment throughout the respective years listed. This measure varies from the enrollment "snapshot" (known as the Application for State School Aid or ASSA) required by the New Jersey Department of Education and taken annually as of October 15.

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023. It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;

- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study’s projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits the study’s enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District’s eight elementary schools, Hammarskjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

Baseline Projections					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,959
2023-2024	2,646	1,307	1,982	2,078	8,013
2024-2025	2,677	1,228	2,046	2,091	8,042
2025-2026	2,770	1,168	2,060	2,090	8,088
2026-2027	2,795	1,196	2,017	2,072	8,080
2026-2027 Projected Change Over 2022-2023	+129	-103	+17	+81	+121

Projections Adjusted for Housing Growth					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,956
2023-2024	2,683	1,321	2,000	2,097	8,101
2024-2025	2,744	1,256	2,085	2,128	8,213
2025-2026	2,860	1,211	2,119	2,145	8,335
2026-2027	2,901	1,253	2,099	2,146	8,399
2026-2027 Projected Change Over 2022-2023	+235	-46	+99	+155	+443

The tables below exhibit actual and projected enrollments for 2024-2025 and 2025-2026 as of the October cut-off for the New Jersey Department of Education’s Application for State School Aid data collection.

	PK-4	5-6	7-9	10-12	PK-12
<i>2024-2025 Actual Enrollment As Of 10/15/2024 (Source: Genesis)</i>	2,842	1,221	2,080	2,125	8,268
<i>2024-2025 Baseline Projected Enrollment*</i>	2,677	1,228	2,046	2,091	8,042
Variance	+165	-7	+34	+34	+226

	PK-4	5-6	7-9	10-12	PK-12
<i>2025-2026 Actual Enrollment As Of 10/15/2025 (Source: Genesis)</i>	2,770	1,206	2,073	2,112	8,161
<i>2025-2026 Baseline Projected Enrollment*</i>	2,770	1,168	2,060	2,090	8,088
Variance	0	+38	+13	+22	+73

**The projections adjusted for housing growth are not utilized for comparative purposes since housing construction on major development projects are in process and not near completion as of this report's date. Therefore, the utilization of baseline projections provides a more accurate basis for comparison.*

For the 2024-2025 and 2025-2026 school years, the total Grades PK-12 enrollment **exceeded** the total five-year baseline projections for those years. Most of that increase occurred in Grades PK-4.

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022. The Temporary Classroom Units were opened on schedule to accommodate the entire seventh-grade class. However, while the New Jersey Department of Education approved the Temporary Classroom Units, the operative word is “temporary” as the use of these classroom units is short term and must be followed by a permanent facilities solution. Thus, the grade reconfiguration continues to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre- K through Grade 12 for the long term.

Some community members – residents, local government officials, and board of education members – have expressed a desire to return to the previous grade-level configuration by moving the fifth grade to the eight elementary schools and so on, including the elimination of the temporary classroom units. However, there is insufficient classroom space available to support moving the fifth grade. Overall, class sizes are increasing due to enrollments and the necessity of staff reductions due to budgetary constraints.

The Township of East Brunswick is pursuing significant redevelopment plans, which include a substantial number of residential units. Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Wamsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Wamsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Wamsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (226) 78 1-BR 142 2-BR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Wamsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Cali) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (116) 28 0-BR 122 1-BR 234 2-BR 32 3-BR Affordable Units. (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total				942 Units	

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

The Tices Developers Urban Renewal, LLC (Legacy Place) project continues to be ahead of schedule and has begun leasing apartments for occupancy. The number of students that the development will actually yield cannot be known while it is under construction. However, with the project partially open, the occupied units have resulted in 86 students being enrolled in the East Brunswick Public Schools as of this letter date.

The Vermella project located at the former Gap store site is well underway. It will consist of 306 multi-family units with a mix of 0-3 bedrooms according to information provided by the East Brunswick Planning and Engineering Department.

Another part of the Vermella project extending from Ruth Street to Lake Avenue along Route 18 South will provide 535 apartments, 218 townhouses, several acres of public space dedicated to parks and community uses, and a hotel supporting retail and a conference center.

The precise impact upon the school district of the residential portion of these approved developments are currently unknown and must be closely watched. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its fifteen years, the charter school's existence has required the cumulative appropriation of \$41,281,110 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved. However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2025, the local funding share is 73.17% of the District's fiscal year 2025 General Fund budget.

It is a fact that increasing amounts of this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

2. ECONOMIC CONDITION AND OUTLOOK:

The Township of East Brunswick's total labor force increased 0.4% to 25,424 in 2024 from 25,325 in 2023, as reported by the New Jersey Department of Labor and Workforce Development. The employment rate for 2024 was 96.0% as compared with 96.3% in 2023, and the unemployment rate for 2024 increased to 4.0% from 3.7% in 2023. Notwithstanding a slight change in rates over the prior year, East Brunswick's employment and unemployment rates remain stable and better than the data that has been reported statewide and nationally. In short, the general economic viability of the community continues to be strong.

The Township of East Brunswick reported certificates of occupancy (COs) issued for new residential units to be 13 for the calendar year 2024, as compared with 18 for the calendar year 2023. This represents a 27.78% decrease in comparison to last year.

Economic data provided by the Township of East Brunswick indicates that the construction value and building permits issued for new units, additions and remodeling for the entire 2024 calendar year totaled \$76,919,857 and 2,900, respectively, as compared to \$28,213,915 and 2,836 for the 2023 calendar year. This represents an increase of 64 permits and an increase in construction value of \$48,705,942.

East Brunswick residents have historically retained their homes for many years – often several decades – as they have strong ties to the community. Housing resales are generally purchased quickly, which is reflective of the ongoing desire of individuals to establish their residency where the excellent public schools are the primary factor in that decision and the District continues register more students.

While the legally established caps on local property tax increases are intended to limit property tax growth, New Jersey continues to have a need for property tax reform. The Federal Tax Reform Act of 2017 with its limitations on the deductibility of property taxes has placed an added burden on New Jersey homeowners. The District is conscious of this and will continue to act prudently in its fiscal decisions. However, these issues must be addressed. We continue to urge New Jersey residents to express the expectations they have of their elected officials with regard to tax reform.

Moreover, local property taxes will be further strained without fundamental changes to school funding particularly as state aid is diverted from school districts such as East Brunswick based on the community’s income and property wealth.

3. MAJOR INITIATIVES

The District has been aggressive in pursuing the maximum level of State grant funds for all qualifying projects since State’s school facilities grants were reinstated in 2008. To date, East Brunswick has been successful in receiving grant approvals on all qualifying projects and for the maximum qualifying amount. The grant funds have benefitted East Brunswick taxpayers by reducing the local financial obligation for the projects. In fact, over \$3.1 million in State grant funds – a full 40% of estimated project costs – have funded security vestibules at all eleven school locations, a myriad of infrastructure improvements and building upgrades that have been completed throughout the District. While the State has not continued the grant program, the District is poised to avail itself of such funding opportunities when and if they again become available.

The limitations on financial resources to support capital projects have required the District to pursue other means of providing project funds. It established a revolving fund of financing through which capital projects are funded. Such short-term debt having a payback of no more than five years has enabled the District to plan in meeting the many needs of its 13 facilities. The District has also received Safety Grants from the New Jersey Schools Insurance Group. Those grants focus on District safety and security through physical improvements.

The projects undertaken in the planning stage, in-process or completed during the past year include, but are not limited to, the following:

Central Elementary School: carpet removal/flooring installations.

Chittick Elementary School: HVAC upgrades to corridors, playground improvements, site improvements, and parking upgrades/expansion.

Churchill Junior High School: carpet removal/flooring installations, and retaining wall planning.

East Brunswick High School: new roof-top units, new girls softball and field hockey complex, new high school planning, concession holding tank, and pavement repairs.

Frost Elementary School: multi-purpose room and kitchen renovations, HVAC upgrades to corridors, carpet removal/flooring installations, site improvements, and parking upgrades/expansion.

Hammarskjold Upper Elementary School: classroom door vision lites.

Irwin Elementary School: HVAC upgrades to corridors.

Warnsdorfer Elementary School: HVAC upgrades to corridors, multi-purpose room and kitchen renovations, and carpet removal/flooring installations.

Support Operations Facility: warehouse air conditioning, electrical upgrades, and transformer replacement.

Administration Building: exterior door replacements, restroom and elevator upgrades, window replacements, and transformer replacement.

Old Maintenance Yard: Demolition.

Districtwide: HVAC controller replacements.

Finally, technology has a significant role in instruction and is integrated throughout the District's operations. It is an absolute necessity upon which there is heavy reliance to continually achieve success in District operations and instruction. For example, in 2019-2020, the COVID-19 pandemic pushed the District into utilizing its recently implemented learning management system (LMS) to support remote teaching and learning in grades eight through 12. The pandemic caused the District to speedily implement its one-to-one initiative resulting in the assignment of individual laptop computers to each student in grades K through 12. The District's pre-pandemic foresight moving toward implementing these systems enabled it to be *ahead of the curve* and a leader capable of supporting student learning throughout the COVID-19 Pandemic.

The LMS, as well as other initiatives and general technology maintenance and upgrades, require a significant ongoing investment for which this District has been committed to find innovative ways of overcoming funding challenges. Thus, we must succeed in meeting our obligation to ensure technology is reliable and readily available to support student learning and the District's "business" operations.

Eleven years ago, Sunera, LLC was engaged to assess the Information Technology Department. While the report is confidential due to sensitive security discussions contained therein, the District has been committed to implementing the recommendations and providing students with the tools needed to augment their educational experiences. The issues requiring attention were varied and improvement will take time and financial resources. The dedication of time and financial resources has enabled much to be accomplished with marked improvements being the result. The District's steadfast commitment has yielded substantial progress in this area.

Ten years ago, the District engaged in a study of its Facilities Management operations, which includes building maintenance (electrical, general maintenance, HVAC, and plumbing), grounds maintenance, and custodial services. While the report is confidential due to certain personnel discussions contained therein, the overall objective has been to provide high-quality support to improve maintenance of the District's overall property investment and infrastructure both inside and out. While change is sometimes a slow and challenging process, the District commitment to implementing the recommendations has been evidenced by the steady implementation of a reorganization plan resulting in substantive improvements that have taken hold and continue to benefit the District's properties.

4. INTERNAL CONTROL

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

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. The Board of Education of East Brunswick Public Schools has the legal level of budgetary control, which is made at the line-item level. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are accounted for in the capital projects fund when applicable. 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 reported as assigned fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized based on funds. These funds and the government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. OTHER INFORMATION

- A) Independent Audit** - State statutes require an annual audit to be performed by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, LLP was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1986, the Federal Uniform Guidance and New Jersey's OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
- B) Awards** – The International Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements. This is the twelfth year in a row the District has received this award.

This Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2024-2025 award.

In addition, the District was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the tenth year that the District will have achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

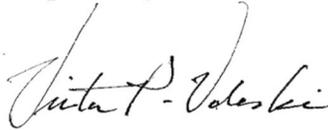
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Programs' requirements, and we are submitting it to the GFOA to determine its eligibility for the fiscal year 2024-2025 certificate.

- C) **Continued Excellence in Academics, Athletics and the Arts** - During the 2024-2025 school year, the District continued to advance its reputation for excellence through a variety of accomplishments and achievements. See the accomplishments and achievements section for a number of those successes.

8. ACKNOWLEDGMENTS

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

Respectfully submitted,



Victor P. Valeski, Ed.D.
Superintendent of Schools
Through November 30, 2025



Bernardo Giuliana, SFO, QPA
Assistant Superintendent for Business
and Support Operations

East Brunswick Public Schools

Accomplishments and Achievements

Year ended June 30, 2025

The District is proud to report the many successes and accomplishments that our students have achieved. The 2024-2025 school year achievements are listed below:

For Excellence in Academics...

- East Brunswick is the only district in the state to have 11 *Blue Ribbon Schools*. The schools are Bowne-Munro (1996-1997), Central (2011-2012), Chittick (1998-1999), Frost (2010-2011), Irwin (1989-1990), Lawrence Brook (1991-1992), Memorial (2012-2013) and Warnsdorfer (2000-2001) Elementary Schools, Hammarskjold Middle School (1994-1995), Churchill Junior High School (1994-1995) and East Brunswick High School (1990-1991).
- Over 94% of graduates go on to college
- EBHS/MCC Pathways Program – offered College Level Courses amassing 3,592 college credits.
- Five EBHS seniors earned their associate degree from pursuing credits through our Dual Enrollment Program.
- Twenty-Two EBHS students received 1st Place at We the People -State Competition.
- East Brunswick High School welcomed 92 new members into the *National Honor Society*.
- Thirty-Nine EBHS students received their first-year pins for the Science Honor Society and seventeen EBHS students received their second-year honor cords.
- The EBHS Math Honor Society Mu Alpha Theta induced sixty new members.
- One EBHS student was the winner of the Ninth Annual New York Times Student Review Contest.
- World Language Honor Society Inductees:
 - *Chinese Honor Society - 30 students*
 - *French Honor Society - 27 students*
 - *Spanish Honor Society – 53 students*
 - *Italian Honor Society – 18 students*
 - *German Honor Society – 23 students*

For Excellence in Academics - continued...

- NJ Seal of Biliteracy -109 of high school seniors earned the distinction of the New Jersey Seal of Biliteracy.
- Number of students who earned two Biliteracy Seals:
 - One Student: Spanish and Hindi
 - One Student: German and Hindi
 - One Student: French and Hindi
 - One Student: Russian and Spanish
 - One Student: Spanish and Portuguese
- One student received: Multilingual Learner Recipients of the Seal of Biliteracy.
- Three students received: Former Multilingual Learner Recipient of the Seal of Biliteracy.

For Excellence in the Arts...

- Student Inductions:
 - Tri M Music Honors Society – 65
 - National Art Honors Society – 30
 - International Thespian Society – 17
- For the 8th time, East Brunswick Public Schools was the recipient of the “Best Communities in Music Education” award presented by the NAFME Foundation.
- One Central Elementary student was selected to the NJACDA/NJMEA All-State Elementary Chorus.
- One CJHS student was to the All-State Band as a Percussionist.
- One CJHS student was selected to the CJMEA High School Percussion Ensemble.
- One EBHS student was selected to NAFME All-Eastern Orchestra.
- One EBHS student received the Judges Commendation Award from Johansen International Competition for Young Strings Players.
- One EBHS student was selected to the NAFME All-Eastern Division Concert Band.
- Two CJHS students were selected to All-State Orchestra.

For Excellence in the Arts - continued...

- Two EBHS students were selected to the NJMEA All-State Symphonic Band.
- Two EBHS students were selected to the CJMEA High School Orchestra.
- Two EBHS students were selected to the CJMEA High School Wind Ensemble.
- Two EBHS students were selected to the NJMEA All-State Wind Ensemble.
- Three CJHS students were selected to the CJMEA High School Region Orchestra.
- Three EBHS students were selected to the NJMEA All-State Orchestra.
- Three EBHS students were selected to the CJMEA High School Symphonic Band.
- Three EBHS students were selected to the NJMEA All State Symphonic Band.
- Seven CJHS students were selected to the CJMEA Intermediate Region Band.
- Eight HUES students were selected to the CJMEA Elementary Honors Band.
- Eight CJHS students were selected to NJMEA All-State Intermediate Orchestra.
- Ten Central Elementary students were selected to the CJMEA Treble Honor Chorus.

For Excellence in Athletics...

- *Sectional Champions*
 - Girls Tennis
 - Girls Swimming
- *Group IV State Champions*
 - Girls Tennis
- *GMC Champions*
 - Girls Tennis
 - Field Hockey (4th Year in a row)
 - Girls Swimming
- *Red Division Champions*
 - Boys Soccer
 - Girls Soccer
 - JV Field Hockey
 - Field Hockey (4th Year in a Row)
 - Girls Swimming

For Excellence in Athletics - continued...

- *Red Division Champions-continued*
 - Girls Wrestling - Co-Champions
 - Boys Golf

- *GMC White Division*
 - Softball

- *Team Awards*
 - Boys Wrestling were the Brunswick Brawl Champions
 - Boys Wrestling were the George Crostewicz District Champions
 - Boys Football received the Bill Denney Sportsmanship Award
 - Ice Hockey received the Sportsmanship Award for the GMC
 - Girls Soccer received the GMC Red Division Sportsmanship Award
 - Girls Lacrosse received the GMC Red Division Sportsmanship Award

- *Individual Awards*
 - One student broke the All-Time Boys Scoring Record of 1311 in *Boys Basketball*
 - One student was selected as the *NJSIAA Scholar Athlete*
 - One student received the *Bran Denny Award*
 - One student received the *Kindness Counts Award*
 - One student was Defensive Player of the Year and All American for *Boys Lacrosse*
 - One student was Play of the Year for *Field Hockey*
 - One student was 1st Double GMC Champion, All Red Division and All GMC First Team in *Girls Tennis*
 - One student was the 1st Singles GMC Champion in *Girls Tennis*
 - One student was 2nd Singles GMC Champion in *Girls Tennis*
 - One student was 3rd singles GMC Champion in *Girls Tennis*
 - One student was All Red Division for *Wrestling*
 - One student was All GMC for *Girls Wrestling*
 - One student was All GMC for *Ice Hockey*
 - One student had 200 careers points in *Field Hockey*
 - One student had 500 saves in *Boys Lacrosse*
 - One student was All Red Division in *Boys Golf*
 - One student had their 200 strikeouts in *Softball*
 - One student was All Red Division for *Girls Volleyball*
 - One Student was All GMC for *Boys Swimming*
 - One student was At Large All-Around in *Gymnastics*
 - One student hit their 1000 career point in *Boys Basketball*

For Excellence in Athletics - continued...

- *Individual Awards-continued*
 - One student was All GMC in *Girls Soccer*
 - One student was 2nd Team National Gold Division for Football
 - One student won the districts for 165 Weight Class
 - One student was All Red Division and All GMC for *Girls Basketball*
 - One student was All GMC for *Boys Basketball*
 - One student was Defensive Player of the Year and All American for *Boys Lacrosse*
 - One student was All Red Division All-GMC for *Baseball*
 - One student was All Red Division for *Boys Golf*
 - One student was the GMC Tournament Champion for *Girls Golf*
 - Two students were All White Division for *Boys Basketball*
 - Two students received the GMC Sportsmanship Award
 - Two students received the GMC Scholar Athlete Award
 - Two students were All Red Division for *Boys Soccer*
 - Two students were ALL RED Division and ALL GMC in the 4x8 in *Spring Track*
 - Two students were 1st Team National Gold Division for *Football*
 - Two students were All Red Division in *Boys Track*
 - Two students were All Red Division for *Softball*
 - Two students were All GMC for *Girls Lacrosse*
 - Two students were GMC Champions for 1st Doubles in *Boys Tennis*
 - Two students were GMC Champions for 2nd Doubles in *Boys Tennis*
 - Three students were All Red Division in *Girls Soccer*
 - Three students were All Second Team for *Boys Lacrosse*
 - Three students were All Red Division for *Girls Lacrosse*
 - Three students were All Red Division and All-GMC for *Girls Golf*
 - Three students were All GMC for *Boys Lacrosse*
 - Four students were All Red Division and All GMC for *Field Hockey*
 - Four students were All Red Division for *Boys Swimming*
 - Four students were All White Division for *Softball*
 - Five students were All Red Division for *Boys Lacrosse*
 - Six students were All GMC for *Girls Swimming*
 - Twelve students were All Red Division for *Girls Swimming*

- *Coaches Recognition*
 - Matt Wendell was Asst. Coach of the Year for *Boys Lacrosse*
 - Kevin Brady was Coach of the Year for *Softball*
 - Kevin Brady had his 450 career wins in *Girls Soccer*

For Excellence in Athletics - continued...

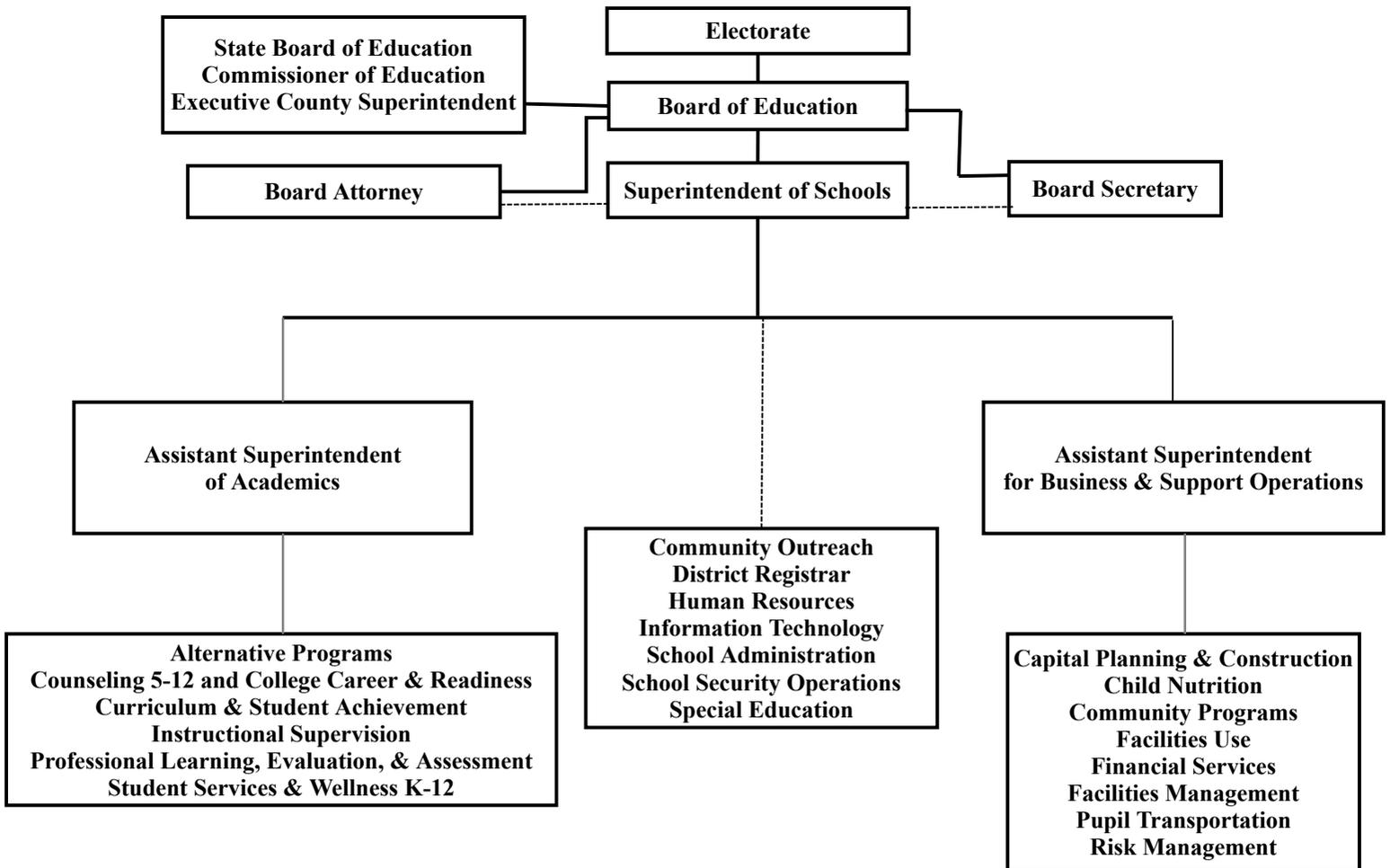
- *Coaches Recognition-continued*
 - Zach Gega was Coach of the Year for *Boys Golf*
 - Terry McKibbin had his 250 career wins in *Boys Soccer*
 - Sean Carney was Coach of Year in *Girls Swimming*
 - Kevin Brady was Coach of the Year for *Softball*

Staff Accomplishments...

- *The Certificate of Excellence in Financial Reporting* was awarded by the *Association of School Business Officials (ASBO) International* to the East Brunswick Public Schools for the *twelfth* consecutive year.
- *The Certificate of Achievement for Excellence in Financial Reporting* was awarded by the *Government Finance Officers Association* to the East Brunswick Public Schools for the *tenth* year.

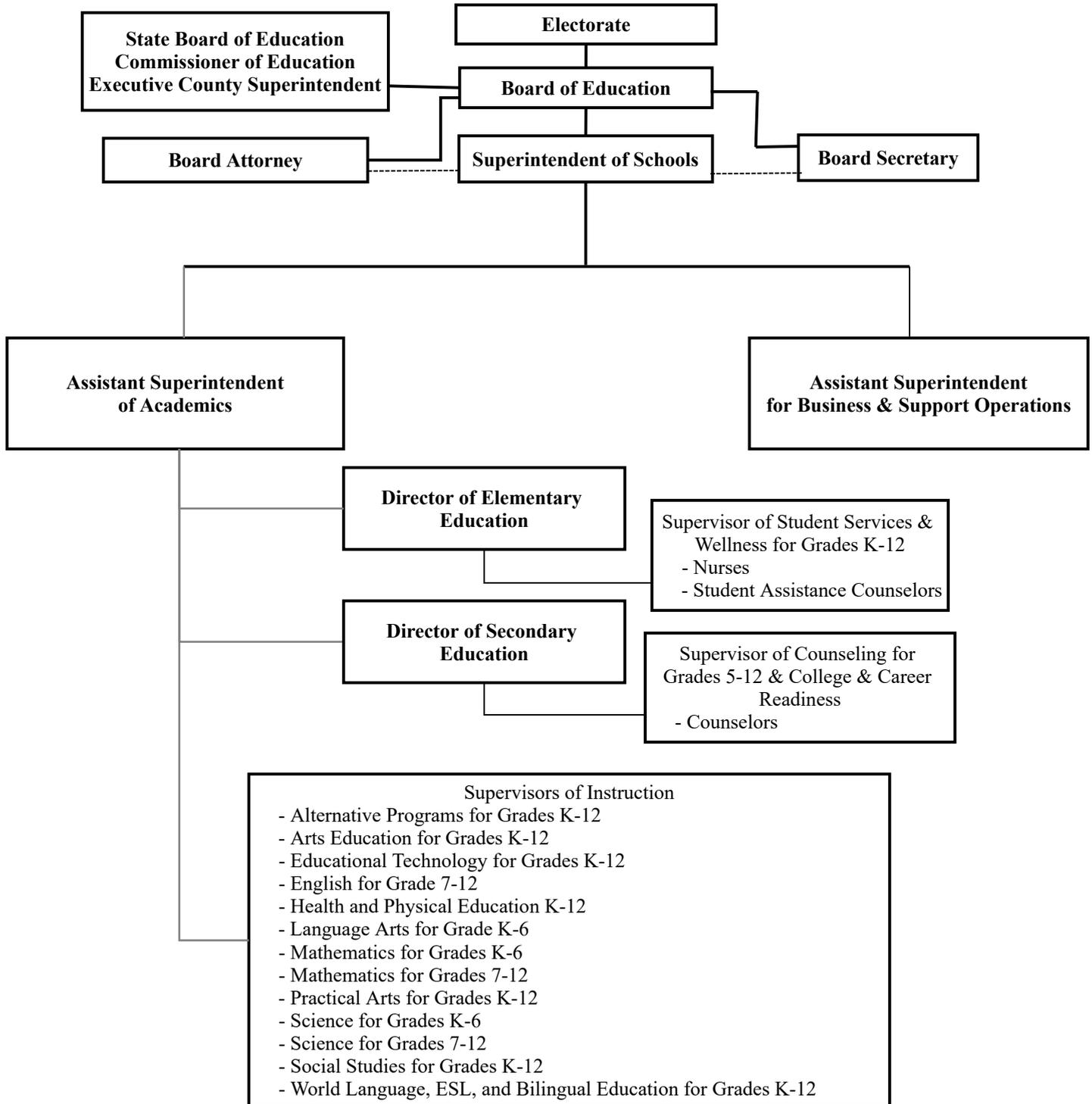
For Excellence in Service to the Community...

- The EBPS Staff held a Denim Day which raised \$2,155 to support Rutgers University Foundation/Cancer Research.
- The EBEA held a Denim Day which raised \$2,000 to support the VFW Post #133 and the Wounded Warrior Project.
- The EBPS Staff held a Denim Day which raised \$2,102 to support the American Heart Association.
- Churchill Junior High School raised \$1,911 plus an additional twenty-three wreaths to sponsor a total of 135 remembrance wreaths which were laid on veteran graves in Arlington, VA on National Wreaths Across America Day.



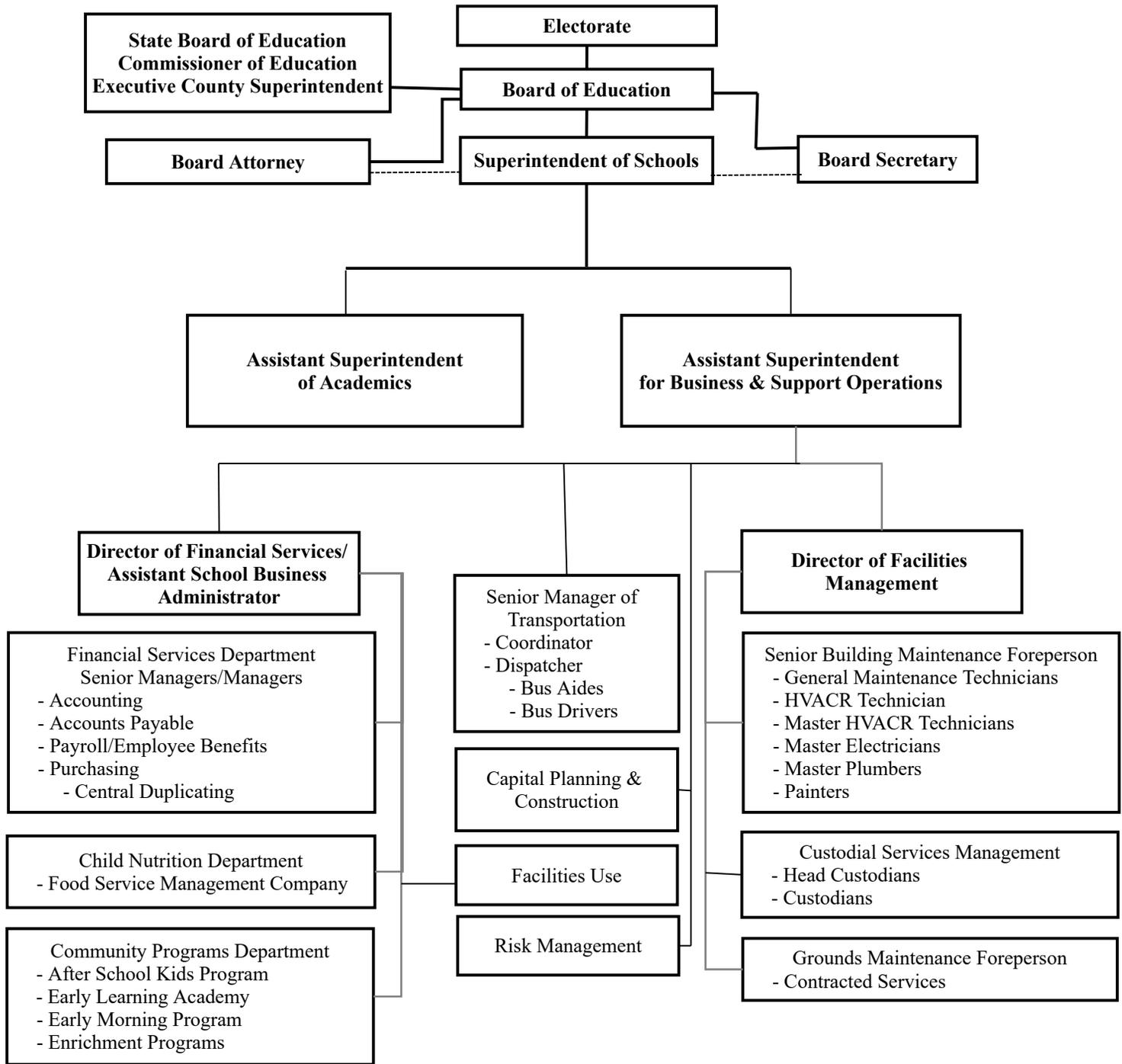
This organizational structure reflects revisions as of July 1, 2024.

Refer to position job descriptions for additional details.



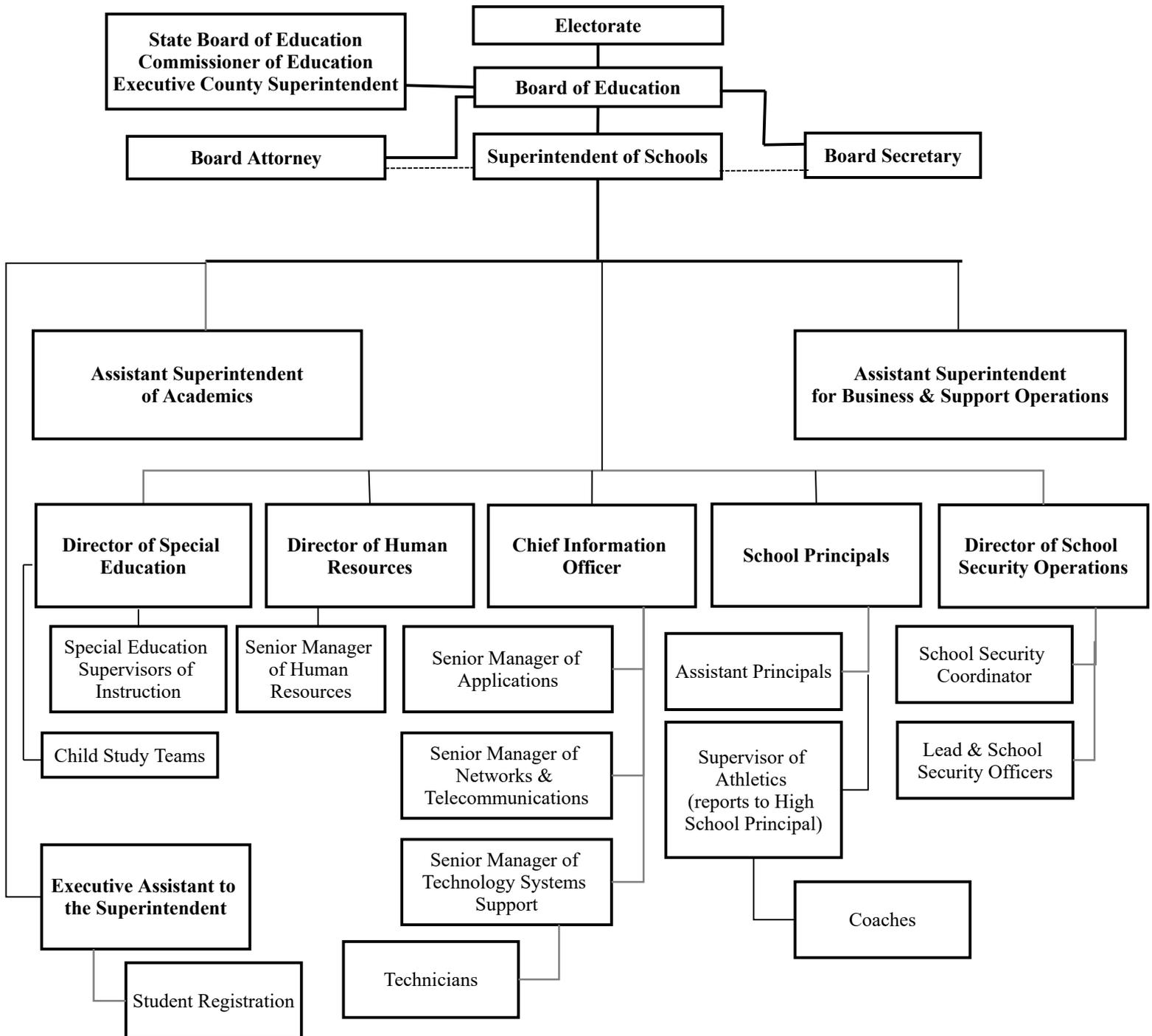
This organizational structure reflects revisions as of September 1, 2023.

Refer to position job descriptions for additional details.



This organizational structure reflects revisions as of July 1, 2024.

Refer to job descriptions for position reporting lines.



This organizational structure reflects revisions as of July 1, 2024.

Refer to position job descriptions for additional details.

East Brunswick Public Schools
East Brunswick, New Jersey

Roster of Officials

June 30, 2025

Members of the Board of Education

Term Expires

Heather Guas, President.....	2025
Liwu Hong, Vice President.	2025
Anna Braun.....	2025
Timothy Cummings.....	2026
Jaime Falco.....	2027
Louis Figueroa	2027
Laurie Herrick.....	2026
Laurie Lachs (resigned effective May 8, 2025).....	2026
Wilbur Pan.....	2027

Other Officials

Victor P. Valeski, Ed.D., Superintendent of Schools

Bernardo Giuliana, SFO, QPA, Assistant Superintendent for Business & Support
Operations/Board Secretary

Joyce Boley, Ed.D., Assistant Superintendent of Academics

East Brunswick Public Schools
East Brunswick, New Jersey

Architect & Engineer

Parette Somjen Architects
439 US Highway 46 #4
Rockaway, New Jersey 07866

Van Cleaf Engineering Associates, LLC
4 AAA Drive, Suite 103
Hamilton, New Jersey 08691

Board Attorney

Matthew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
169 Ramapo Valley Road, Upper Level 105
Oakland, New Jersey 07436

Bond Counsel

C. Anthony Solimine, Esq.
Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, New Jersey 07095

Financial Advisor

Jennifer G. Edwards
Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey 08054

Independent Auditor

Scott Clelland, CPA, PSA, RMA
PKF O'Connor Davies, LLP
20 Commerce Drive, Suite 301
Cranford, New Jersey 07016

Insurance Broker

Latonya Brennan, CSR
Arthur J. Gallagher Risk Management Services, LLC
707 State Road, Route 206
Princeton, New Jersey 08542

Official Depository

PNC Bank
Civic Center Office
555 Cranbury Road
East Brunswick, New Jersey 08816



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

East Brunswick Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**East Brunswick Public Schools
New Jersey**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Brunswick Public Schools (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Policy

We draw attention to Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to this matter.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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- Conclude whether, in our judgement, 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 management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2025. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Scott A Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

Required Supplementary Information
Part I

Management's Discussion and Analysis

East Brunswick Public Schools

Management's Discussion and Analysis Year Ended June 30, 2025

The discussion and analysis of East Brunswick Public School's (the "District") financial performance provides an overview of the District's financial performance during the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements and notes, which immediately follow this section.

Management's Discussion and Analysis ("MD&A") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's ("GASB") Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year and the prior fiscal year is presented in the MD&A, as required by GASB Statement No. 34.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

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

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

Governmental Activities — All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities, construction and facilities improvements, self-insurance, and debt repayment.

Business-Type Activities — The District charges fees for certain services it provides. The Food Service, Community Programs, Technology and Facilities Rentals are reported here.

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

Fund financial statements

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

Governmental funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship 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 basic governmental fund financial statements can be found on schedules B-1, B-2 and B-3 of this report.

Proprietary funds

The District maintains two proprietary fund types, four enterprise funds and one internal service fund. The enterprise 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 is that the costs of providing goods or services be financed through user charges. The enterprise fund reports the operations of the food service, community education, technology and facilities rentals programs. The self-insured internal service fund is used to record the activity of the District's medical benefits. Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

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

Other information

The required supplementary information related to pensions and other postemployment benefits and the individual and combining statements referred to earlier in connection with the governmental and enterprise funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found immediately following the notes to the financial statements of this report.

Financial Highlights

Key financial highlights for 2024-2025 are as follows:

In total, net position at June 30, 2025 was \$148,543,068, which represents a 15.3% decrease from 2024. This is primarily due to the change in accounting principle for the recalculation to compensated absences liabilities in the current year.

Governmental activities general revenues and transfers accounted for \$209,936,564 in revenue or 97.1% of all governmental activities revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,185,569 or 2.9% of total governmental activities revenues of \$216,122,133.

Among major funds, the General Fund had \$229,051,952 in revenues and \$236,732,024 in expenditures. The General Fund's fund balance is \$7,942,644 as of June 30, 2025, a decrease of \$6,251,629 from the June 30, 2024 balance. The decrease was mainly the result of use of prior year fund balance and an increase in utility and health benefit costs.

Notification was received that the two June 2025 state aid payments to the District in the total amount of \$3,794,634 would be delayed until the next school year. While the State of New Jersey has taken action to withhold the final June payment each year since 2003, it expanded the withholding to both June payments in the 2009-2010 fiscal year, in order to avert a budget shortfall at the state level.

The District followed GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and during the 2025 fiscal year the District recorded additional revenue and expense in the amount of \$371,149 related to post-employment health benefits.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a comparative summary of net position relating to the District's governmental and business-type activities at June 30, 2025 and 2024:

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 32,855,921	\$ 6,117,285	\$ 38,973,206	\$ 39,924,125	\$ 5,395,094	\$ 45,319,219
Capital assets, net	252,391,098	1,567,317	253,958,415	256,461,467	1,033,896	257,495,363
Total assets	285,247,019	7,684,602	292,931,621	296,385,592	6,428,990	302,814,582
Deferred outflows of resources	4,690,852		4,690,852	4,735,763		4,735,763
Liabilities:						
Current liabilities	13,855,001	1,802,697	15,657,698	14,353,113	1,167,351	15,520,464
Net pension liability	26,049,031		26,049,031	27,574,640		27,574,640
Long-term liabilities	104,943,285	382,812	105,326,097	86,354,550	143,909	86,498,549
Total liabilities	144,847,317	2,185,509	147,032,826	128,282,303	1,311,260	129,593,563
Deferred inflow of resources	2,046,579		2,046,579	2,661,692		2,661,692
Net position:						
Net investment in capital assets	193,916,570	1,587,317	195,483,887	188,134,607	1,033,896	189,168,503
Restricted	3,915,068		3,915,068	8,897,939		8,897,939
Unrestricted (deficit)	(54,787,663)	3,931,776	(50,855,887)	(26,855,186)	4,083,834	(22,771,352)
Total net position	\$ 143,043,975	\$ 5,499,093	\$ 148,543,068	\$ 170,177,360	\$ 5,117,730	\$ 175,295,090

As noted, GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the governmental and business-type activities funds in the amount of (\$30,935,392) and (\$229,988), respectively. This amount is not reflected in the June 30, 2024 net position, above.

Current and other assets decreased in large part due to a decrease in cash and cash equivalents and various receivable balances due to the results of current year operations.

Capital assets, net decreased as a result of depreciation expense exceeding capital asset additions in the current year.

Long-term liabilities increased as result of a new financed purchase of \$5,795,000 in the current year, offset by principal payments made in the total amount of \$15,584,000 on bonds payable and financed purchases payable and increase in compensated absences.

Current liabilities of governmental activities decreased slightly, which was due to a decrease in the current portion of long-term obligations due and the timing of payments for expenses incurred near year-end.

The net pension liability decreased as a result of changes in the allocation as determined by the State of New Jersey Division of Pensions and Benefits as well as the results of actual investment performance during the year and a change in assumptions as compared to the prior year.

There was an overall increase of \$611,351 in net position reported in connection with the District's business-type activities. The increase above was after the business-type activities programs transferred \$1,428,443 to the general fund. The Food Service program generated an increase in net position of \$611,351. The Community Programs program, Facilities Rentals program and the Technology program had no change in net position. The following table provides a comparative summary of the changes in net position relating to the District's governmental and business-type activities for the years ended June 30, 2025 and 2024:

Changes in Net Position

	Year ended June 30, 2025			Year ended June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,753,892	\$ 7,698,793	\$ 9,452,685	\$ 1,467,335	\$ 7,638,416	\$ 9,105,751
Operating Grants and Contributions	4,431,677	1,872,524	6,304,201	9,191,381	1,806,775	10,998,156
General Revenues:						
Property Taxes	149,734,536		149,734,536	144,305,364		144,305,364
Grants and Entitlements	57,022,058		57,022,058	61,662,174		61,662,174
Miscellaneous	1,751,527	242,833	1,994,360	3,159,069	249,205	3,408,274
Total Revenues	214,693,690	9,814,150	224,507,840	219,785,323	9,694,396	229,479,719
Expenses:						
Instruction	108,683,134		108,683,134	111,677,917		111,677,917
Support Services	101,655,788		101,655,788	100,834,851		100,834,851
Interest and other charges	1,981,204		1,981,204	2,264,031		2,264,031
Business-type activities		7,774,356	7,774,356		7,338,349	7,338,349
Total Expenses	212,320,126	7,774,356	220,094,482	214,776,799	7,338,349	222,115,148
Change in Net Position Before Transfers	2,373,564	2,039,794	4,413,358	5,008,524	2,356,047	7,364,571
Transfers	1,428,443	(1,428,443)	-	2,249,615	(2,249,615)	-
Change in net position	3,802,007	611,351	4,413,358	7,258,139	106,432	7,364,571
Net Position—beginning	170,177,360	5,117,730	175,295,090	162,919,221	5,011,298	167,930,519
Cumulative effect of change in Accounting Principle	(30,935,392)	(229,988)	(31,165,380)			
Net Position—ending	\$ 143,043,975	\$ 5,499,093	\$ 148,543,068	\$ 170,177,360	\$ 5,117,730	\$ 175,295,090

Governmental Activities

Property taxes made up 71.3% of total revenue for the fiscal year 2025. Federal, state and local grants and tuition and miscellaneous revenue accounted for the remainder. The total cost of all programs and services was \$212,320,126. Instruction accounted for 51.2% of total expenses.

Overall, change in net position decreased \$4,413,358 during the current year, mainly due to a change in accounting principle for the recalculation of compensated absences in the current year.

Business-Type Activities

Revenue for the District’s business-type activities was comprised of charges for services and federal and state reimbursements.

Food service revenues exceeded expenses by \$611,351. Charges for services, which consist of the amount paid by students and other patrons for daily food service and catering, represent 59.8% of total revenue and grants and contributions represent 40.2% of total revenue.

Technology Program expenses and transfers out did not exceed revenues in the current year.

Changes in Net Position from the Implementation of GASB Statement No. 101

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, “*Compensated Absences*.” As a result of this implementation, the District reviewed and adjusted its methodology for estimating compensated absences payable. The cumulative effect of applying this new standard required a restatement of beginning net position as of July 1, 2024. Accordingly, the governmental and business-type funds’ beginning net positions have been decreased by \$30,935,392 and \$229,988, respectively to reflect the impact of the change in accounting principle.

Financial Analysis of the District’s Funds

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

Governmental funds. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. The District’s fund balance amounts are classified as restricted, assigned or unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2025 as well as the amount and percentage of increases and decreases in relation to the prior year:

Revenue	Amount	Percent of Total	Increase (Decrease) from 2024	Percent of Increase (Decrease)
Local Sources	\$ 153,826,124	64.34%	\$ 4,178,880	2.85%
State Sources	81,302,177	34.01%	531,944	0.73%
Federal Sources	3,933,455	1.65%	(4,616,298)	-51.78%
Total	<u>\$ 239,061,756</u>	100.00%	<u>\$ 94,526</u>	0.04%

The increase in local source revenue is mainly attributable to the increase in the tax levy of \$5,429,172 while offset by a decrease of miscellaneous revenues of \$1,135,918.

The decrease in federal source revenue is mainly attributable to a decrease in grant activity and revenue related to the COVID-19 expenditures.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2025, as well as the amount and percentage of increases and decreases in relation to the prior year:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2024</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$ 73,651,505	29.17%	\$ (2,251,727)	-3.03%
Support Services	154,688,019	61.26%	6,215,745	4.42%
Capital Outlay	6,457,234	2.56%	(3,485,565)	-12.38%
Debt Service	17,704,000	7.01%	285,348	2.03%
Total	<u>\$ 252,500,758</u>	<u>100.00%</u>	<u>\$ 763,801</u>	<u>0.30%</u>

The decrease in instruction expenditures, as adjusted for on-behalf expenditures related to TPAF pension costs assumed by the State, was due budget reductions made in the 2024-2025 fiscal year. Support service expenditures increased as a result of higher costs for health benefits, utilities and other support related services. The decrease in capital outlay is the result of the District incurring greater costs on new projects in the prior year as compared with the current year. The increase in debt service expenditures is the result of required principal and interest payments from financed purchases payable, lease purchase obligations and bonds payable.

General Fund

The fund balance decreased by \$6,251,629 during the 2024-2025 fiscal year as a result us of increased costs and use of fund balance in 2025. As of June 30, 2025, the District has unassigned fund balance of \$273,163, which represents a decrease of \$1,615,249 from the prior year.

Special Revenue Fund

The fund balance in the Special Revenue Fund increased by \$224,734 mainly as a result of the \$5,795,000 financed purchase proceeds received in the 2024-2025 fiscal year, offset by expenditures in the fund.

General Fund Budgetary Highlights

The 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 2024-2025 fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. The School Business Administrator, Superintendent of Schools, and Board of Education must approve transfers from one program to another. Transfers were required due to:

- Staffing changes based on student needs.
- Accounting changes in maintenance and operations, such as transfers to Capital Projects.
- Changes in appropriations to prevent budget overruns, as well as to effect account coding corrections.

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including the following more significant transfers:

- Undistributed Expenditures – Unallocated Benefits – Health Benefits – an increase of \$4,239,444 was the result of increased health benefits costs during the year.
- Undistributed Expenditures – Security – an increase of \$381,376 was the result of increased salaries.
- Undistributed Expenditures – Care and Upkeep of Grounds – an increase of \$381,376 was a result of service contract costs.
- Undistributed Expenditures – Custodial Services – an increase of \$264,754 was a result of increased utility costs.

Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – an increase of \$1,130,785 was the result of withdrawals from the capital reserve for various construction projects through FY24.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2024-2025 fiscal year, the District had capital assets of \$393,797,430, which includes school facilities, land, buildings, equipment and vehicles and construction in progress.

The following provides a summary of the capital assets held by the District at June 30, 2025 and 2024:

	2025		2024	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Non-Depreciable Assets:				
Land	\$ 1,019,208		\$ 1,019,208	
Construction in Progress	20,593,303		36,064,785	
Depreciable Assets:				
Buildings and Improvements	345,148,497	\$ 1,858,536	325,897,891	\$ 1,313,570
Machinery and Equipment	24,388,469	789,417	22,406,707	725,809
Totals	<u>\$ 391,149,477</u>	<u>\$ 2,647,953</u>	<u>\$ 385,388,591</u>	<u>\$ 2,039,379</u>

Overall governmental capital assets increased \$6,369,459 from the 2023-2024 fiscal year mainly due to the increase in construction attributable to the HVAC upgrades; CJHS temporary classroom units; EBHS track upgrades; as well as other improvements throughout the District.

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

Debt Administration and Long Term Liabilities

The District's long-term liabilities are as follows for the governmental and business-type activities at June 30, 2025 and 2024:

	2025		2024 (as restated)	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Bonds payable (net)	\$ 50,582,230		\$ 54,871,847	
Net pension liability	26,049,031		27,574,640	
Financed purchases payable	23,091,000		28,520,000	
Compensated absences	31,270,055	\$ 382,812	33,898,095	\$ 386,639
Total long-term liabilities	\$ 130,992,316	\$ 382,812	\$ 144,864,582	\$ 386,639

During fiscal year 2025, the District's governmental activities long-term liabilities decreased by \$13,072,266. The decrease is a result of compensated absences, as well as the issuance of a new financed purchases of \$5,795,000, offset by debt retirements of approximately \$16 million and the decrease in the net pension liability of \$1,525,609. The District's credit rating has not recently changed and is currently at a Aa2 rating. Additional information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

Current Concerns and Factors Bearing on the District's Future

The East Brunswick Public School District financial position continues to be solid. It has maintained a legally acceptable fund balance position. The District regularly seeks cost-savings and cost containment opportunities, which accrue to the annual budget in controlling costs. In addition, the District's Community Programs Enterprise and the Facilities Rental Enterprise have provided valuable programs and services to the community while generating revenue and an annual net income, as well as maintaining a healthy retained earnings balance.

While the COVID-19 Pandemic has severely curtailed revenue-generating opportunities during Fiscal Years 2020 and 2021, the two enterprises' retained earnings provided the financial wherewithal to sustain these functions through that time. Over the last several fiscal years through 2025, the Community Programs and Facilities Use enterprises have resumed generating revenue to support the annual budget. We are confident that the enterprises will continue as a "going concern" into Fiscal Year 2026 and beyond.

Notwithstanding the current financial position and the benefits inured from the enterprise operations, the District faces General Fund revenue issues for the foreseeable future. This is largely due to the substantial reduction in Fiscal Year 2025 and Fiscal Year 2026 state aid as well as unanticipated costs that could not be projected to support services to students. In Fiscal Year 2026, these factors, along with overall operational cost increases, resulted in a projected revenue shortfall exceeding \$7.2 million requiring reductions in appropriations that reduced staff, increased class sizes, and deferred important initiatives. If state aid continues to be reduced at the rate experienced, Fiscal Year 2027 could be significant. A three percent reduction in Fiscal Year 2026 funding would amount to approximately \$1.12 million.

It is impossible to accurately forecast the future impact of state aid as it will not be known until the New Jersey Department of Education releases Fiscal Year 2027 state aid data. However, based on the current state aid funding formula, the District anticipates state aid to be further reduced due to the East Brunswick community's property wealth and income.

The District re-engaged Statistical Forecasting, LLC to conduct a comprehensive analysis of school enrollment projections. The study was completed in June 2022 and updated as of January 3, 2023.

It projects grade-by-grade enrollments over a five-year period from 2022-2023 through 2026-2027. In addition, the study included the following:

- Examination of historical enrollment trends, both districtwide and by grade configuration (PK-4, 5-6, 7-9, and 10-12);
- Investigation of historical enrollment trends with respect to race and poverty status in each school;
- Tabulation of birth counts at the attendance area level;
- Computation of student yields by housing type (i.e., detached single family, townhouse/condominium, and apartment);
- Analysis of new housing starts and the impact on the school district; and,
- Projected enrollments, in a totally independent analysis, based on student yields and housing turnover rates (resales) in East Brunswick.

The study's projected year-to-year increases in enrollment will have serious consequences on District facilities and class sizes. The table below exhibits the study's enrollment projections.

Note that a new grade configuration became effective with the 2022-2023 school year, which impacts the District's eight elementary schools, Hammarskjold Upper Elementary School (formerly the middle school), and Churchill Junior High School.

Baseline Projections					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,959
2023-2024	2,646	1,307	1,982	2,078	8,013
2024-2025	2,677	1,228	2,046	2,091	8,042
2025-2026	2,770	1,168	2,060	2,090	8,088
2026-2027	2,795	1,196	2,017	2,072	8,080
2026-2027 Projected Change Over 2022- 2023	+129	-103	+17	+81	+121

Projections Adjusted for Housing Growth					
Fiscal Year	PK-4	5-6	7-9	10-12	PK-12
2022-2023	2,666	1,299	2,000	1,991	7,956
2023-2024	2,683	1,321	2,000	2,097	8,101
2024-2025	2,744	1,256	2,085	2,128	8,213
2025-2026	2,860	1,211	2,119	2,145	8,335
2026-2027	2,901	1,253	2,099	2,146	8,399
2026-2027 Projected Change Over 2022- 2023	+235	-46	+99	+155	+443

The tables below exhibit actual and projected enrollments for 2024-2025 and 2025-2026 as of the October cut-off for the New Jersey Department of Education’s Application for State School Aid data collection.

	PK-4	5-6	7-9	10-12	PK-12
<i>2024-2025 Actual Enrollment As Of 10/15/2024 (Source: Genesis)</i>	2,842	1,221	2,080	2,125	8,268
<i>2024-2025 Baseline Projected Enrollment*</i>	2,677	1,228	2,046	2,091	8,042
Variance	+165	-7	+34	+34	+226

	PK-4	5-6	7-9	10-12	PK-12
<i>2025-2026 Actual Enrollment As Of 10/15/2025 (Source: Genesis)</i>	2,770	1,206	2,073	2,112	8,161
<i>2025-2026 Baseline Projected Enrollment*</i>	2,770	1,168	2,060	2,090	8,088
Variance	0	+38	+13	+22	+73

**The projections adjusted for housing growth are not utilized for comparative purposes since housing construction on major development projects are in process and not near completion as of this report's date. Therefore, the utilization of baseline projections provides a more accurate basis for comparison.*

For the 2024-2025 and 2025-2026 school years, the total Grades PK-12 enrollment *exceeded* the total five-year baseline projections for those years. Most of that increase occurred in Grades PK-4.

Prior to the grade-level realignment, class sizes were being pushed upward to undesirable thresholds and the availability of classrooms for new sections was virtually non-existent. The grade-level realignment provided sorely needed classroom space at the elementary level.

During Fiscal Year 2021, the Board re-engaged in discussing resolutions to elementary classroom shortages. On May 6, 2021, the Board authorized the Administration to commence planning for Temporary Classroom Units to be placed at the Churchill Junior High School site for occupancy by September 2022. The Temporary Classroom Units were opened on schedule to accommodate the entire seventh-grade class. However, while the New Jersey Department of Education approved the Temporary Classroom Units, the operative word is “temporary” as the use of these classroom units is short term and must be followed by a permanent facilities solution. Thus, the grade reconfiguration continues to provide temporary relief while the Board plans a permanent resolution that will benefit students from Pre- K through Grade 12 for the long term.

Some community members – residents, local government officials, and board of education members – have expressed a desire to return to the previous grade-level configuration by moving the fifth grade to the eight elementary schools and so on, including the elimination of the temporary classroom units. However, there is insufficient classroom space available to support moving the fifth grade. Overall, class sizes are increasing due to enrollments and the necessity of staff reductions due to budgetary constraints.

The Township of East Brunswick is pursuing significant redevelopment plans, which include a substantial number of residential units. Representatives from the East Brunswick Planning and Engineering Department provided information to the District’s demographer regarding current and

future residential development. A list of approved housing developments, location, affected elementary attendance area, number of units, housing type, bedroom distribution (if available), and project status is shown in the table below. The table excludes new houses to be built on single in-fill lots, or the subdivision of existing lots, or homes that are built after the demolition of an existing older home.

Approved Residential Developments in East Brunswick

Subdivision/Developer (Location)	Elementary Attendance Area	Number of Units	Bedroom Distribution	Housing Type	Notes/Status
Abdelshahid (Hardenburg Lane)	Wamsdorfer	3	N/A	Detached Single-Family	One unit under construction
Bartel/Dunhams Cove (Dunhams Corner Road)	Central	8	N/A	Detached Single-Family	Under construction
Bruno (Dutch Road)	Wamsdorfer	3	N/A	Detached Single-Family	Approved but not under construction
Clark Farm (Stage Coach Run/ Lanterns Lane)	Wamsdorfer	12	N/A	Detached Single-Family	Approved in 2008. Nothing has been constructed due to very high water table. Unclear whether the project will move forward.
Enclave at East Brunswick (Old Bridge Turnpike/ May Road)	Chittick	17	N/A	Detached Single-Family	Under construction. Ten homes are built and occupied.
Hidden Oaks, LLC (Harts Lane)	Lawrence Brook	275	Market-Rate Apts. (220) 78 1-BR 142 2-BR Affordable Apts. (55) 11 1-BR 33 2-BR 11 3-BR	Apartments (market-rate and affordable)	Has received Preliminary and Final Site Plan approval. 55 units will be set aside for Low-Moderate Income households. Tree permit has been approved and land cleared.
Hidden Pond (Dutch Road)	Wamsdorfer	8	N/A	Detached Single-Family	Under construction. Five homes are built and occupied.
HD Summerhill (a.k.a. Mack-Cali) (377 Summerhill Road)	Frost	96	41 1-BR 50 2-BR 5 3-BR	Apartments (market-rate and affordable)	Under construction. 24 units will be set aside for Low Moderate Income households.
Tices Developers Urban Renewal, LLC (a.k.a. Garden Homes) (110 Tices Lane)	Lawrence Brook	520	Market-Rate Units (416) 28 0-BR 122 1-BR 234 2-BR 32 3-BR Affordable Units. (104) 26 1-BR 58 2-BR 20 3-BR	Apartments and Duplexes (504) (market-rate and affordable) Townhouses (16)	Under construction. 104 units will be set aside for Low-Moderate Income households.
Total			942 Units		

Source: East Brunswick Planning and Engineering Department/Township Administrator

Notes: Bolded text reflects a change in status from the July 2019 demographic study.

Developments shaded blue are new since the July 2019 demographic study.

The Tices Developers Urban Renewal, LLC (Legacy Place) project continues to be ahead of schedule and has begun leasing apartments for occupancy. The number of students that the development will actually yield cannot be known while it is under construction. However, with the project partially open, the occupied units have resulted in 86 students being enrolled in the East Brunswick Public Schools as of this letter date.

The Vermella project located at the former Gap store site is well underway. It will consist of 306 multi-family units with a mix of 0-3 bedrooms according to information provided by the East Brunswick Planning and Engineering Department.

Another part of the Vermella project extending from Ruth Street to Lake Avenue along Route 18 South will provide 535 apartments, 218 townhouses, several acres of public space dedicated to parks and community uses, and a hotel supporting retail and a conference center.

The precise impact upon the school district of the residential portion of these approved developments are currently unknown and must be closely watched. Certainly, any residential construction will bring more students into the school district. Therefore, the information is critical to school facilities planning.

For the fiscal year ending June 30, 2025, local property taxes provided 75.75% of the funding to support the district's General Fund operations. While the General Fund tax levy (the amount to be raised by taxes) increases are capped at two percent annually, the actual property tax impact to most property owners is greater. This has resulted from property valuations that are not reflective of current values. In fact, East Brunswick's overall taxable property values are recorded at 18.83% of true value based on the certified *Table of Equalized Valuations* for the 2025 tax year as published by the New Jersey Department of the Treasury, Division of Taxation.

While East Brunswick residents have been supportive of their schools and appreciate the quality education that is provided to students, the Township must undergo a property revaluation if it is to stabilize the impact of property tax increases for all property taxpayers. East Brunswick has not had a revaluation since 1983. In addition, a concerted effort must be put forth to improve the Township's business and industrial tax base, which will alleviate the residential property owners tax burden. The State and County governments have mandated that the Township undergo a property revaluation.

While the Township of East Brunswick is pursuing significant redevelopment along the Route 18 corridor, those developments to date will not be added to the regular tax rolls. Instead, those property owners have agreements with the Township for Payment In Lieu of Taxes (PILOT). As such, those properties will not pay property taxes for a lengthy period of time and they are not counted in the overall valuation of Township properties. PILOT funds are available for discretionary use by the Township Government. However, the exclusion of PILOT properties from overall basis for computing property taxes results in the remainder of property owners not realizing the benefit of PILOT properties offsetting property tax rates.

A charter school based in East Brunswick opened its doors at the beginning of the 2010-2011 school year. Hatikvah International Academy Charter School was approved as a K-5 school and has since expanded to be a grades K-8 school. It is unfortunate that this charter school was granted an initial charter several years ago in the suburban community of East Brunswick having one of the best school districts in this State if not the entire country. The charter school did not serve any educational need then, and it does not now.

During its fifteen years, the charter school's existence has required the cumulative appropriation of \$41,281,110 from the East Brunswick Public School District budget. This State-mandated diversion of local financial resources has come with significant and deleterious impacts to the school district beginning with the elimination of its model elementary world language program in the charter school's first year. The time has long passed to argue the merits of whether or not the initial charter should have been approved.

However, the community should be reminded that the students enrolled in the charter school would receive a superior quality of education and supports if enrolled in the East Brunswick Public Schools.

East Brunswick's taxpayers largely provide the financial support for its public schools. For fiscal year 2025, the local funding share is 73.17% of the District's fiscal year 2025 General Fund budget.

It is a fact that increasing amounts of this suburban community's local funds and state aid allocation must be diverted to support a charter school for which there is absolutely no justifiable educational need.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenue it receives. If you have questions about this report or need additional information, you may contact Bernardo Giuliana, Assistant Superintendent for Business and Support Operations at East Brunswick Public Schools, 760 Route 18, Suite 108, East Brunswick, NJ 08816.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2025.

East Brunswick Public Schools

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 26,625,941	\$ 5,820,714	\$ 32,446,655
Cash held with fiscal agent	920,042		920,042
Accounts receivable	5,309,938	296,571	5,606,509
Capital assets, non-depreciable	21,612,511		21,612,511
Capital assets, depreciable, net	230,778,587	1,567,317	232,345,904
Total assets	<u>285,247,019</u>	<u>7,684,602</u>	<u>292,931,621</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	1,140,929		1,140,929
Pension deferrals	3,549,923		3,549,923
Total deferred outflows of resources	<u>4,690,852</u>		<u>4,690,852</u>
Total assets and deferred outflows of resources	<u>289,937,871</u>	<u>7,684,602</u>	<u>297,622,473</u>
Liabilities			
Accounts payable and accrued expenses	9,415,770	1,004,788	10,420,558
Payroll deductions and withholdings payable	766,182		766,182
Accrued interest payable	1,113,411		1,113,411
Accrued liability for insurance claims	2,404,000		2,404,000
Intergovernmental payable	22,882		22,882
Unearned revenue	132,756	797,909	930,665
Noncurrent liabilities:			
Due within one year	14,974,623	36,407	15,011,030
Due beyond one year	89,968,662	346,405	90,315,067
Net Pension Liability	26,049,031		26,049,031
Total liabilities	<u>144,847,317</u>	<u>2,185,509</u>	<u>147,032,826</u>
Deferred Inflow of Resources			
Pension deferrals	<u>2,046,579</u>		<u>2,046,579</u>
Net Position			
Net investment in capital assets	193,916,570	1,567,317	195,483,887
Restricted for:			
Capital reserve	602,898		602,898
Unemployment compensation	1,134,100		1,134,100
Student activities	563,997		563,997
Excess Surplus - prior year	1,614,073		1,614,073
Unrestricted (deficit)	<u>(54,787,663)</u>	<u>3,931,776</u>	<u>(50,855,887)</u>
Total net position	<u>\$ 143,043,975</u>	<u>\$ 5,499,093</u>	<u>\$ 148,543,068</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Statement of Activities

Year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 74,715,430	\$ 1,017,161	\$ 1,476,690	\$ (72,221,579)		\$ (72,221,579)
Special Education Instruction	26,532,540		2,121,274	(24,411,266)		(24,411,266)
Other Instruction	7,435,532		834,081	(6,601,451)		(6,601,451)
Support Services						
Tuition	10,171,021			(10,171,021)		(10,171,021)
Student and Instruction Related Services	32,761,187	736,731		(32,024,456)		(32,024,456)
School Administration	7,637,750			(7,637,750)		(7,637,750)
General and Business Administrative Services	9,599,236			(9,599,236)		(9,599,236)
Plant Operation and Maintenance	25,006,862			(25,006,862)		(25,006,862)
Pupil Transportation	16,479,732			(16,479,732)		(16,479,732)
Interest and other charges	1,981,204			(1,981,204)		(1,981,204)
Total governmental activities	<u>212,320,494</u>	<u>1,753,892</u>	<u>4,432,045</u>	<u>(206,134,557)</u>		<u>(206,134,557)</u>
Business-type activities						
Food Service	4,187,389	2,782,768	1,872,524		\$ 467,903	467,903
Community Programs	2,862,339	3,630,186			767,847	767,847
Technology	124,599	163,492			38,893	38,893
Facilities Rentals	600,029	1,122,347			522,318	522,318
Total business-type activities	<u>7,774,356</u>	<u>7,698,793</u>	<u>1,872,524</u>		<u>1,796,961</u>	<u>1,796,961</u>
Total primary government	<u>\$ 220,094,850</u>	<u>\$ 9,452,685</u>	<u>\$ 6,304,569</u>	<u>(206,134,557)</u>	<u>1,796,961</u>	<u>(204,337,596)</u>
General revenues and transfers:						
Taxes:						
Property taxes, levied for general purposes				145,047,533		145,047,533
Property taxes, levied for debt service				4,687,003		4,687,003
Federal sources				63,502		63,502
State sources—unrestricted				56,958,556		56,958,556
Investment income				1,183,447	242,833	1,426,280
Miscellaneous				568,080		568,080
Transfers				1,428,443	(1,428,443)	-
Total general revenues and transfers				<u>209,936,564</u>	<u>(1,185,610)</u>	<u>208,750,954</u>
Change in net position				3,802,007	611,351	4,413,358
Net Position—beginning, as reported				170,177,360	5,117,730	175,295,090
Cumulative effect of change of accounting principle				(30,935,392)	(229,988)	(31,165,380)
Net Position—beginning, as restated				<u>139,241,968</u>	<u>4,887,742</u>	<u>144,129,710</u>
Net Position—ending				<u>\$ 143,043,975</u>	<u>\$ 5,499,093</u>	<u>\$ 148,543,068</u>

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Brunswick Public Schools
Governmental Funds

Balance Sheet

June 30, 2025

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Assets				
Cash and cash equivalents	\$ 9,881,473	\$ 14,294,770	\$ 2	\$ 24,176,245
Accounts receivable:				
State	2,921,313	6,612		2,927,925
Federal		1,122,301		1,122,301
Other	752,394	142,329		894,723
Total assets	<u>\$ 13,555,180</u>	<u>\$ 15,566,012</u>	<u>\$ 2</u>	<u>\$ 29,121,194</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,433,730	\$ 861,230		\$ 5,294,960
Payroll deductions and withholdings payable	766,182			766,182
Accrued expenditures payable	331,134	8,864		339,998
Intergovernmental payables:				
State		22,882		22,882
Unearned revenue	81,490	51,266		132,756
Total liabilities	<u>5,612,536</u>	<u>944,242</u>		<u>6,556,778</u>
Fund balances:				
Restricted for:				
Capital reserve	602,898			602,898
Unemployment compensation	1,134,100			1,134,100
Excess surplus - designated for subsequent year's expenditures	1,614,073			1,614,073
Debt service			\$ 2	2
Student activities		563,997		563,997
Assigned to:				
Subsequent years expenditures	3,030,927	14,057,773		17,088,700
Other purposes	1,287,483			1,287,483
Unassigned:				
General fund	273,163			273,163
Total fund balances	<u>7,942,644</u>	<u>14,621,770</u>	<u>2</u>	<u>22,564,416</u>
Total liabilities and fund balances	<u>\$ 13,555,180</u>	<u>\$ 15,566,012</u>	<u>\$ 2</u>	

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 \$391,149,477 and the accumulated depreciation is \$138,758,379.	252,391,098
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(1,113,411)
Long-term liabilities, including bonds payable, financed purchases payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(104,943,285)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	1,140,929
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	1,503,344
Accrued pension contributions for the June 30, 2025 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(2,581,181)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(26,049,031)
Internal service funds are used by the District to charge the costs of the self-insurance program to the individual fund. The activities of this fund are included in the Statement of Activities.	<u>131,096</u>
Net position of governmental activities	<u>\$ 143,043,975</u>

East Brunswick Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2025

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
Revenues				
Local sources:				
Local tax levy	\$ 145,047,533		\$ 4,687,003	\$ 149,734,536
Tuition from individuals	220,020			220,020
Tuition from other LEA's	643,116			643,116
Investment income	1,183,447			1,183,447
Miscellaneous	1,027,665	\$ 1,017,340		2,045,005
Total local sources	148,121,781	1,017,340	4,687,003	153,826,124
State sources	80,866,669	435,508		81,302,177
Federal sources	63,502	3,869,953		3,933,455
Total revenues	229,051,952	5,322,801	4,687,003	239,061,756
Expenditures				
Current:				
Instruction:				
Regular instruction	48,974,357	1,520,156		50,494,513
Special education instruction	16,033,147	2,121,274		18,154,421
Other special instruction	5,002,203			5,002,203
Support services:				
Tuition	4,279,674			4,279,674
Student and instruction related services	21,696,475	1,600,012		23,296,487
School administration services	5,061,999			5,061,999
Other administrative services	7,091,755			7,091,755
Plant operations and maintenance	20,158,929			20,158,929
Pupil transportation	14,207,216			14,207,216
Employee benefits and on-behalf TPAF social security and pension, medical and disability contributions	74,700,980			74,700,980
Charter schools	5,891,347			5,891,347
Capital outlay	805,609	5,651,625		6,457,234
Debt Service:				
Principal	11,944,000		3,640,000	15,584,000
Interest	884,333		1,235,667	2,120,000
Total expenditures	236,732,024	10,893,067	4,875,667	252,500,758
(Deficiency) of revenues (under) expenditures	(7,680,072)	(5,570,266)	(188,664)	(13,439,002)
Other financing sources:				
Issuance of financed purchase agreement		5,795,000		5,795,000
Transfers in	1,428,443			1,428,443
Total other financing sources	1,428,443	5,795,000	-	7,223,443
Net change in fund balances	(6,251,629)	224,734	(188,664)	(6,215,559)
Fund balances, July 1	14,194,273	14,397,036	188,666	28,779,975
Fund balances, June 30	<u>\$ 7,942,644</u>	<u>\$ 14,621,770</u>	<u>\$ 2</u>	<u>\$ 22,564,416</u>

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

East Brunswick Public Schools
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2025

Total net change in fund balances - governmental funds (from B-2) \$ (6,215,559)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and loss on capital asset disposals exceeded capital asset additions in the period.

Depreciation Expense	\$ (10,242,159)	
Loss on Capital Asset Disposals	(413,507)	
Capital Asset Additions	<u>6,585,297</u>	
		(4,070,369)

The issuance of long-term debt for general purposes provides current financial resources to governmental funds, however has no effect on net position.

Financed Purchases Payable	(5,795,000)	
Adjustment	<u>(720,000)</u>	
		(6,515,000)

Repayments of bond principal and financed purchases payable are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds Payable	4,120,000	
Financed Purchases Payable	<u>11,944,000</u>	
		16,064,000

Governmental funds report the effect of premiums/discounts and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Premium on Bonds		169,617
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Governmental funds report the effect of refunding transactions when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the current year amortization related to the deferred loss of refunding.

Amortization of Deferred Loss on Refunding of Debt		(108,450)
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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.

77,629

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

2,628,040

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension expense		2,231,684
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The internal service fund is used by the District to charge the costs of the self-insurance program to the individual fund. The assets and liabilities of the internal service fund are included with governmental activities.

(459,585)

Change in net position of governmental activities (A-2) \$ 3,802,007

Proprietary Funds

East Brunswick Public Schools
Proprietary Funds

Statement of Net Position

June 30, 2025

	Business-Type Activities				Total	Governmental
	Major Enterprise Funds					Internal Service
	Food Service	Community Programs	Technology	Facilities Rentals		Fund
					Self-Insured Health Benefits	
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,204,450	\$ 1,138,291	\$ 62,833	\$ 415,140	\$ 5,820,714	\$ 2,449,696
Accounts receivable:						
State	10,096				10,096	
Federal	116,334				116,334	
Other	97,165	19,168	37,859	15,949	170,141	364,989
Restricted assets:						
Cash held by fiscal agent						920,042
Total current assets	<u>4,428,045</u>	<u>1,157,459</u>	<u>100,692</u>	<u>431,089</u>	<u>6,117,285</u>	<u>3,734,727</u>
Noncurrent assets:						
Capital assets:						
Depreciable:						
Equipment	2,543,781			104,172	2,647,953	
Accumulated depreciation	<u>(1,018,887)</u>			<u>(61,749)</u>	<u>(1,080,636)</u>	
Total capital assets, net	<u>1,524,894</u>			<u>42,423</u>	<u>1,567,317</u>	
Total assets	<u>5,952,939</u>	<u>1,157,459</u>	<u>100,692</u>	<u>473,512</u>	<u>7,684,602</u>	<u>3,734,727</u>
Liabilities						
Current liabilities:						
Accounts payable	787,340	70,333	692	78,262	936,627	1,199,631
Accrued salaries payable	7,076	28,562		32,523	68,161	
Unearned revenue	205,442	486,490		105,977	797,909	
Accrued liability - IBNR						2,404,000
Current portion of compensated absences	14,256	22,151			36,407	
Total current liabilities	<u>1,014,114</u>	<u>607,536</u>	<u>692</u>	<u>216,762</u>	<u>1,839,104</u>	<u>3,603,631</u>
Noncurrent liabilities:						
Compensated absences	128,303	199,359		18,743	346,405	
Total noncurrent liabilities	<u>128,303</u>	<u>199,359</u>		<u>18,743</u>	<u>346,405</u>	
Total liabilities	<u>1,142,417</u>	<u>806,895</u>	<u>692</u>	<u>235,505</u>	<u>2,185,509</u>	<u>3,603,631</u>
Net Position						
Investment in capital assets	1,524,894			42,423	1,567,317	
Unrestricted	3,285,628	350,564	100,000	195,584	3,931,776	131,096
Total net position	<u>\$ 4,810,522</u>	<u>\$ 350,564</u>	<u>\$ 100,000</u>	<u>\$ 238,007</u>	<u>\$ 5,499,093</u>	<u>\$ 131,096</u>

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year ended June 30, 2025

	Business-Type Activities				Total	Governmental Activity
	Major Enterprise Funds					Internal Service Fund
	Food Service	Community Programs	Technology	Facilities Rentals		Self-Insured Health Benefits
Operating revenues:						
Local sources:						
Services provided by other funds						\$ 34,658,696
Daily sales reimbursable programs	\$ 1,463,199				\$ 1,463,199	
Daily sales non-reimbursable programs	1,319,569				1,319,569	
Rental				\$ 1,119,827	1,119,827	
Special functions				2,520	2,520	
Registration fees		\$ 3,630,186			3,630,186	
Miscellaneous			\$ 163,492		163,492	
Total operating revenues	2,782,768	3,630,186	163,492	1,122,347	7,698,793	34,658,696
Operating expenses:						
Salaries	1,433,406	2,162,463	10,538	493,965	4,100,372	
Employee benefits	370,748	356,302	6,326	54,331	787,707	35,118,281
Purchased professional services	22,548				22,548	
Other purchased services	305,690	299,627		36,453	641,770	
Supplies and materials	250,554	43,322	107,735	7,384	408,995	
Registrations/Training/Travel	217	625			842	
Depreciation	67,360			7,793	75,153	
Indirect cost	150,158				150,158	
Cost of sales - reimbursable programs	1,204,749				1,204,749	
Cost of sales - non-reimbursable programs	357,112				357,112	
Miscellaneous	24,847			103	24,950	
Total operating expenses	4,187,389	2,862,339	124,599	600,029	7,774,356	35,118,281
Operating (loss) income	(1,404,621)	767,847	38,893	522,318	(75,563)	(459,585)
Nonoperating revenues:						
State sources:						
State school breakfast program	9,353				9,353	
State school lunch program	95,952				95,952	
Summer-EBT administrative cost - State	1,501				1,501	
Federal sources:						
School breakfast program	187,675				187,675	
National school lunch program	1,250,898				1,250,898	
Summer-EBT administrative cost - Federal	1,502				1,502	
Food donation program	325,643				325,643	
Interest income	143,448	66,018		33,367	242,833	
Total nonoperating revenues	2,015,972	66,018		33,367	2,115,357	
Income (loss) before transfers	611,351	833,865	38,893	555,685	2,039,794	(459,585)
Transfers out		(833,865)	(38,893)	(555,685)	(1,428,443)	
Total transfers		(833,865)	(38,893)	(555,685)	(1,428,443)	
Change in net position	611,351	-	-	-	611,351	(459,585)
Total net position-beginning, as reported	4,267,730	500,000	100,000	250,000	5,117,730	590,681
Cumulative effect of change in accounting principle	(68,559)	(149,436)	-	(11,993)	(229,988)	-
Total net position-beginning, as restated	4,199,171	350,564	100,000	238,007	4,887,742	590,681
Total net position-ending	\$ 4,810,522	\$ 350,564	\$ 100,000	\$ 238,007	\$ 5,499,093	\$ 131,096

See accompanying notes to basic financial statements.

East Brunswick Public Schools
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2025

	Business-Type Activities				Total	Governmental Activity
	Major Enterprise Funds					Internal Service Fund
	Food Service	Community Programs	Technology	Facilities Rentals		Self-Insured Health Benefits
Cash flows from operating activities						
Receipts for services provided to other funds						\$ 34,658,696
Receipts from customers	\$ 2,749,310	\$ 3,648,647	\$ 167,312	\$ 1,062,291	\$ 7,627,560	
Payments to employees	(1,433,269)	(2,135,454)	(10,538)	(503,372)	(4,082,633)	
Payments for employee benefits	(370,748)	(356,302)	(6,326)	(54,331)	(787,707)	(33,973,121)
Payments to suppliers	(1,732,771)	(325,025)	(117,198)	20,590	(2,154,404)	
Net cash (used in) provided by operating activities	<u>(787,478)</u>	<u>831,866</u>	<u>33,250</u>	<u>525,178</u>	<u>602,816</u>	<u>685,575</u>
Cash flows from noncapital financing activities						
Cash received from state and federal sources	1,809,247				1,809,247	
Transfers to other funds		(833,865)	(38,893)	(555,685)	(1,428,443)	
Net cash provided by (used in) noncapital financing activities	<u>1,809,247</u>	<u>(833,865)</u>	<u>(38,893)</u>	<u>(555,685)</u>	<u>380,804</u>	
Cash flows from capital and related financing activity						
Purchase of capital assets	(572,871)			(35,704)	(608,575)	
Net cash (used in) capital and related financing activity	<u>(572,871)</u>			<u>(35,704)</u>	<u>(608,575)</u>	
Cash flows from investing activity						
Interest received	143,448	66,018		33,367	242,833	
Net cash provided by investing activity	<u>143,448</u>	<u>66,018</u>		<u>33,367</u>	<u>242,833</u>	
Net increase (decrease) in cash and cash equivalents	592,346	64,019	(5,643)	(32,844)	617,878	685,575
Cash, cash equivalents and restricted cash, beginning of year	3,612,104	1,074,272	68,476	447,984	5,202,836	2,684,163
Cash, cash equivalents and restricted cash, end of year	<u>\$ 4,204,450</u>	<u>\$ 1,138,291</u>	<u>\$ 62,833</u>	<u>\$ 415,140</u>	<u>\$ 5,820,714</u>	<u>\$ 3,369,738</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:						
Operating (loss) income	\$ (1,404,621)	\$ 767,847	\$ 38,893	\$ 522,318	\$ (75,563)	\$ (459,585)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation		67,360		7,793	75,153	
Change in assets and liabilities:						
(Increase) decrease in other accounts receivable	(32,512)	(11,692)	3,820	(652)	(41,036)	349,306
Increase (decrease) in accounts payable	583,104	18,549	(9,463)	64,530	656,720	241,854
(Decrease) increase in accrued expenses	3,742	25,448		(7,895)	21,295	554,000
(Decrease) increase in unearned revenue	(945)	30,153		(59,404)	(30,196)	
(Decrease) increase in compensated absences	(3,606)	1,561		(1,512)	(3,557)	
Net cash (used in) provided by operating activities	<u>\$ (787,478)</u>	<u>\$ 831,866</u>	<u>\$ 33,250</u>	<u>\$ 525,178</u>	<u>\$ 602,816</u>	<u>\$ 685,575</u>

Noncash noncapital financing activities:

The District received \$325,643 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2025.

See accompanying notes to basic financial statements.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies

The financial statements of the East Brunswick Public Schools (the "District") have been prepared in conformity with accounting principles generally accepted in the United States ("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.

A. Reporting Entity

The District is a Type II school district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). 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 financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has control over all activities related to the East Brunswick Public Schools in East Brunswick Township, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of internal activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires all funds, except for Internal Service Fund, be reported as major to promote consistency among school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Property taxes, interest, and state aid associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The District has reported the following major governmental funds:

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

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. The revenue sources are derived from federal, state and local grant funds and lease purchase obligations and the fund balance accounts for the activities of these restricted sources.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District's Proprietary Fund is comprised of four enterprise fund programs, the Food Service Fund, the Community Programs Fund, the Technology Fund, and the Facilities Rentals Fund and the Self-Insurance Internal Service Fund. All are considered major funds, except for the Internal Service Fund.

The District reports the following enterprise funds:

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

Community Programs Enterprise Fund: The community programs fund accounts for financial activity related to providing child care services for District students before and after school, as well as, providing adults with lifelong learning opportunities.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Technology Enterprise Fund: The technology fund accounts for the collection of fees for device coverage as well as technology fines and for the incurrence of costs associated with claims for technology devices issued to students.

Facilities Rentals Enterprise Fund: The facilities rentals fund accounts for financial activity related to rental activities at the District owned performing arts center.

The District reports the following internal service fund:

Self-Insured Health Benefits Fund: The self-insurance fund is used to record the activity of the District's health insurance expenses.

Amounts reported as program revenues include 1) charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, registration fees and rentals. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports unearned revenue on its balance sheet and statements of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

D. Budgets/Budgetary Control

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

The County Board of Taxation is responsible for the assessment of properties and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

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 Middlesex County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The over-expenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2025 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments 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. Open encumbrances at year-end are reappropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end. Except for student activity funds, the accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Interfund Receivables/Payables

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

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase. Enterprise fund inventories are valued at cost, which

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

F. Inventories (continued)

approximates market, using the first-in, first-out (FIFO) method. At June 30, 2025, the District did not have any inventory in the Food Service Enterprise Fund.

G. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets, donated works of art and similar items, and capital assets received are reported at acquisition value on the date of acquisition. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Buildings and Improvements	20-50
Furniture and Equipment	7-20
Vehicles	8

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability. District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

The liability for compensated absences represents the vacation and sick time (“leave”/“leave days”) and salary related payments which have been earned for services previously rendered by employees in accordance with the District’s various collective bargaining agreements, accumulates, is allowed to

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

H. Compensated Absences (continued)

be carried over to subsequent year(s) and is deemed more likely than not (by management) to be used for time off or otherwise paid/settled in the future. The liability is calculated based on each employee's rate of pay and the number of unused leave days accumulated as of year-end, management's assumption that likelihood of future use (either by use during employment or settlement/payment upon separation from service) is probable, and the salary-related payments that are directly and incrementally associated with payments for the leave. The District utilizes historical data of past usage patterns to estimate the expected usage and payment of compensated absences. The liability for compensated absences is reflected in the government-wide financial statements as current and long-term liabilities. In the fund financial statements, only the compensated absences liability that has matured through employee resignation or retirement and is expected to be payable from expendable available financial resources is reported. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 101, "*Compensated Absences.*"

As of June 30, 2025, a liability existed for compensated absences in the government-wide financial statements in the amount of \$31,270,055 and a liability in the proprietary fund types in the amount of \$382,812.

I. Unearned Revenue

Unearned revenue in the general fund, food service enterprise fund, and community program enterprise fund represent fees received in advance for services to be provided. Unearned revenue in the special revenue fund represents cash received from federal, state and local sources, which have been received but not yet earned and outstanding encumbrances.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

K. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2024, the District has recorded an unamortized balance of \$1,140,929 as a deferred outflow of resources and the amortization expense for the year ended June 30, 2025 was \$108,450.

L. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the Government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the unamortized loss on refunding of debt and deferred amounts related to pensions. 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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

N. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

N. Fund Balances (continued)

2. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
4. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
5. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$7,942,644 of fund balances in the General Fund, \$1,287,483 of outstanding encumbrances has been assigned to other purposes, \$3,030,927 has been assigned as designated for subsequent year's expenditures, \$602,898 has been restricted for capital reserve, \$1,614,073 has been restricted for excess surplus – designated for subsequent years expenditures, \$1,134,100 has been restricted for unemployment compensation, and \$273,163 is classified as unassigned.

Of the \$14,621,770 of fund balance in the Special Revenue Fund, \$563,997 is restricted for student activities and \$14,057,773 is assigned and designated for subsequent years expenditures. All of the \$2 Debt Service fund balance at June 30, 2025 is restricted for debt service.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

O. Management Estimates

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

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund.

Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$26,925,109 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, 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 was \$1,614,073, all of which was appropriated in the 2025/26 budget.

R. GASB Pronouncements

Adopted - The GASB issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.*" The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District implemented that Statement during the 2024-25 fiscal year. See Note 19.

Adopted - The GASB issued Statement No. 101, "*Compensated Absences.*" The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District implemented that Statement during the 2024-25 fiscal year.

Adopted - The GASB issued Statement No. 102 "*Certain Risk Disclosures*" in December 2023. This Statement defines a concentration as a lack of diversity related to an aspect of a significant

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

1. Summary of Significant Accounting Policies (continued)

R. GASB Pronouncements (continued)

inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has reviewed the Statement and determined it did not have an impact on the financial statements.

Recent - The GASB issued Statement No. 103 "*Financial Reporting Model Improvements*" in April 2024. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Recent - The GASB issued Statement No. 104 "Disclosure of Certain Capital Assets" in September 2024. This objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

S. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2025 through January 15, 2026, the date that the financial statements were available for issuance and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and related unamortized premiums, financed purchases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. The details of this \$104,943,285 difference are as follows:

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

2. Reconciliation of Government-Wide and Fund Financial Statements (continued)

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (continued)

Bonds payable	\$ 48,940,000
Unamortized premium on bonds	1,642,230
Financed purchases payable	23,091,000
Compensated absences	<u>31,270,055</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 104,943,285</u>

3. Deposits and Investments

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

Deposits

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

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.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

3. Deposits and Investments (continued)

Deposits (continued)

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.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2025, the carrying amount of the District's deposits was \$32,446,652 and the bank balance was \$33,233,717. Of the bank balance, \$250,000 of the District's cash deposits on June 30, 2025 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$31,867,982. \$865,735 held in the District agency accounts are not covered by GUDPA. The District also has \$920,042 of cash held by fiscal agents on its behalf which is not covered by the FDIC or GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash 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 and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

Custodial Credit Risk: The District does not have a policy for custodial credit risk other than to maintain a safekeeping account for the securities at a financial institution.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

3. Deposits and Investments (continued)

Investments (continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk.

GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any funds invested in debt securities.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

The District did not have any investments during or at the year ended June 30, 2025.

4. Capital Reserve Account

A capital reserve account was established by the Board by inclusion of \$410,363 in the 1996-1997 capital outlay budget 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 (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2024	\$	3,093,267
Increases:		
Interest earnings		5,792
Project Close-outs		433,192
Subtotal		<u>3,532,251</u>
Decreases:		
Board approved withdrawals – various dates		<u>(2,929,353)</u>
Ending balance, June 30, 2025	\$	<u><u>602,898</u></u>

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

4. Capital Reserve Account (continued)

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects exceeded the June 30, 2025 capital reserve balance. The withdrawals from the capital reserve were for Department of Education approved facilities projects. The District did not budget for a withdrawal from capital reserve in its 2025-26 approved budget.

5. Capital Assets

The District capitalizes all assets with an acquisition cost greater than \$2,000. The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not being Depreciated:					
Land	\$ 1,019,208				\$ 1,019,208
Construction in Progress	36,064,785	\$ 5,003,374	\$ (367,862)	\$ (20,106,994)	20,593,303
Total Capital Assets not being Depreciated	<u>37,083,993</u>	<u>5,003,374</u>	<u>(367,862)</u>	<u>(20,106,994)</u>	<u>21,612,511</u>
Capital Assets, being Depreciated:					
Building and Improvements	325,897,891	21,863		19,228,743	345,148,497
Machinery and Equipment	22,406,707	1,560,060	(456,549)	878,251	24,388,469
Total Capital Assets, being Depreciated	<u>348,304,598</u>	<u>1,581,923</u>	<u>(456,549)</u>	<u>20,106,994</u>	<u>369,536,966</u>
Less Accumulated Depreciation:					
Building and Improvements	(113,680,402)	(8,668,809)			(122,349,211)
Machinery and Equipment	(15,246,722)	(1,573,350)	410,904		(16,409,168)
Total Accumulated Depreciation	<u>(128,927,124)</u>	<u>(10,242,159)</u>	<u>410,904</u>		<u>(138,758,379)</u>
Total Capital Assets, being Depreciated, Net	<u>219,377,474</u>	<u>(8,660,236)</u>	<u>(45,645)</u>	<u>20,106,994</u>	<u>230,778,587</u>
Governmental Activities Capital Assets, Net	<u>\$ 256,461,467</u>	<u>\$ (3,656,862)</u>	<u>\$ (413,507)</u>	<u>\$ -</u>	<u>\$ 252,391,098</u>
Business-Type Activities:					
Total Capital Assets, being Depreciated:					
Building and building improvements	\$ 1,313,570	\$ 544,966			\$ 1,858,536
Machinery and Equipment	725,809	63,608			789,417
Total Capital Assets, being Depreciated	<u>2,039,379</u>	<u>608,574</u>			<u>2,647,953</u>
Less Accumulated Depreciation:					
Building and Improvements	(560,638)	(44,316)			(604,954)
Machinery and Equipment	(444,845)	(30,837)			(475,682)
Total Accumulated Depreciation	<u>(1,005,483)</u>	<u>(75,153)</u>			<u>(1,080,636)</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 1,033,896</u>	<u>\$ 533,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,567,317</u>

Total depreciation expense for the fiscal year ended June 30, 2025 for governmental activities was \$10,242,159 and for business-type activities was \$75,153.

Depreciation for governmental activities was charged as follows in the Statement of Activities:

Regular instruction	\$ 3,604,818
Special education instruction	1,296,049
Other instruction	357,109
Student and instruction related services	1,663,116
School administration services	361,377
General and other administration services	506,282
Plant operation and maintenance	1,439,151
Pupil transportation	1,014,257
Total depreciation expense – governmental activities	<u>\$ 10,242,159</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities

During the fiscal year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance as reported	Change in Accounting Principle*	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
Serial bonds payable	\$ 53,060,000		\$ 53,060,000		\$ 4,120,000	\$ 48,940,000	\$ 4,380,000
Unamortized premium on bonds	1,811,847		1,811,847		169,617	1,642,230	169,617
Financed purchases payable	28,520,000		28,520,000	\$ 6,515,000	11,944,000	23,091,000	7,298,000
Compensated absences payable **	2,962,703	\$ 30,935,392	33,898,095		2,628,040	31,270,055	3,127,006
Sub-total	86,354,550	30,935,392	117,289,942	6,515,000	18,861,657	104,943,285	14,974,623
Net pension liability	27,574,640				1,525,609	26,049,031	
Total governmental activities long-term liabilities	<u>\$ 113,929,190</u>	<u>\$ 30,935,392</u>	<u>\$ 117,289,942</u>	<u>\$ 6,515,000</u>	<u>\$ 20,387,266</u>	<u>\$ 130,992,316</u>	<u>\$ 14,974,623</u>
Business-Type Activities:							
Compensated absences payable **	\$ 156,381	\$ 229,988	\$ 386,369	\$ -	\$ 3,557	\$ 382,812	\$ 36,407
Total Business-Type activities long-term liabilities	<u>\$ 156,381</u>	<u>\$ 229,988</u>	<u>\$ 386,369</u>	<u>\$ -</u>	<u>\$ 3,557</u>	<u>\$ 382,812</u>	<u>\$ 36,407</u>

* See Note 19

** The change in compensated absences payable is presented as a net change.

The District expects to liquidate the financed purchases payable and the net pension liability with payments made from the District's general fund and the bonds payable from the debt service fund. The District expects to liquidate the compensated absences payable with payments made from the general fund, the food service enterprise fund, the community program enterprise fund and the facilities rentals enterprise fund.

A. Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds and are a direct borrowing of the District for which its full faith and credit is pledged and are payable from taxes levied on all taxable real property within the District.

2019 Issue

On February 6, 2019, the District issued School Energy Savings Improvement Program Refunding Bonds in the amount of \$8,135,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan ("ESIP") at interest rates ranging from 4.00% to 5.00%, due in annual installments ranging from \$415,000 to \$805,000 through August 1, 2034.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities (continued)

A. Bonds Payable (continued)

2020 Issue

On February 25, 2020, the District issued \$10,355,000 Refunding School Bonds at interest rates ranging from 3.00% to 5.00% to advance refund \$11,465,000 of 2010 School Bonds. The 2020 Refunding School Bonds mature in amounts ranging from \$395,000 to \$755,000 through May 15, 2040.

2022 Issue

On August 3, 2022, the District issued \$41,355,000 Refunding School Bonds at an interest rate of 2.430% to advance refund \$40,450,000 of 2012 School Bonds. The 2022 Refunding School Bonds mature in amounts ranging from \$3,140,000 to \$3,605,000 through November 1, 2034.

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

	Principal	Interest	Total
Year ending June 30,			
2026	\$ 4,380,000	\$ 1,388,996	\$ 5,768,996
2027	4,380,000	1,261,535	5,641,535
2028	4,380,000	1,132,468	5,512,468
2029	4,385,000	1,001,669	5,386,669
2030	4,380,000	869,136	5,249,136
2031-2035	23,510,000	2,252,301	25,762,301
2036-2040	3,525,000	331,150	3,856,150
	\$ 48,940,000	\$ 8,237,255	\$ 57,177,255

B. Financed Purchases Payable

2019 Agreement

In July 2019, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 1, which commenced on July 1, 2020 and concluded on July 1, 2024. The financed purchase carried an

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

interest rate of 1.20%. The total principal amount of the financed purchase was \$14,600,000. During the fiscal year 2025, the District made its final payment of \$2,953,980 which was comprised of \$2,920,000 in principal and \$33,980 in interest.

2020 Agreement

The District entered into a financed purchase agreement on October 28, 2020 in the amount of \$13,685,000. The financed purchase was initiated for various capital improvements throughout the District. During the fiscal year 2025, the District made its final payment of \$2,904,474 which was comprised of \$2,885,000 in principal and \$19,474 in interest.

2021 Agreement

In July 2020, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance District-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 1, which commenced on July 11, 2021 and will conclude on July 11, 2025. The financed purchase carries an interest rate of 1.160%. The total principal amount of the lease was \$3,600,000. The District made an advance payment of the first principal payment due on July 11, 2021 in June 2021, resulting in an interest only payment being due July 11, 2021.

Future Minimum Payments - Future minimum payments for the next year under the financed purchase agreement along with the present value of the minimum payment as of June 30, 2025 is:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 728,352
Total Minimum Lease Payments	728,352
Less: Amount representing interest	(8,352)
Present Value of Net Minimum Payments	<u>\$ 720,000</u>

2022 Agreement

In May 2021, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, technology equipment, classroom furnishings and transportation and maintenance vehicles. Approval was obtained from the Commissioner of Education and the

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 1, through July 1, 2026. The financed purchase carries an interest rate of 0.30%. The total principal amount of the lease was \$4,200,000.

Future Minimum Payments - Future minimum payments for the next two years under the lease purchase agreement along with the present value of the minimum financed purchase payments as of June 30, 2025 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 902,183
2027	840,000
Total Minimum Lease Payments	1,742,183
Less: Amount representing interest	(62,183)
Present Value of Net Minimum Payments	<u>\$ 1,680,000</u>

2023 Agreement

In April 2022, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, instructional and life-safety equipment, classroom furnishings and transportation and security vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 1, through July 1, 2027. The financed purchase carries an interest rate of 0.30%. The total principal amount of the financed purchase was \$17,100,000.

Future Minimum Payments - Future minimum lease payments for the next three years under the purchase agreement along with the present value of the minimum payments as of June 30, 2024 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 3,799,763
2027	3,420,000
2028	3,420,000
Total Minimum Lease Payments	10,639,763
Less: Amount representing interest	(379,763)
Present Value of Net Minimum Payments	<u>\$ 10,260,000</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

2024 Agreement

In April 2023, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, multi-purpose rooms, cafeteria kitchens, retaining wall, windows, classroom furnishings, and transportation and security vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 11, through July 11, 2028. The lease carries an interest rate of 3.70%. The total principal amount of the financed purchase was \$5,795,000.

Future Minimum Payments - Future minimum lease payments for the next four years under the purchase agreement along with the present value of the minimum financed purchase payments as of June 30, 2025 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 1,330,597
2027	1,159,000
2028	1,159,000
2029	1,159,000
Total Minimum Lease Payments	4,807,597
Less: Amount representing interest	(171,597)
Present Value of Net Minimum Payments	<u>\$ 4,636,000</u>

2025 Agreement

In August 2024, the Board of Education (the Lessee) entered into a financed purchase agreement with the Township of East Brunswick (the Lessor) to finance district-wide building improvements, instructional and life-safety equipment, classroom furnishings and transportation and security vehicles. Approval was obtained from the Commissioner of Education and the State of New Jersey Local Finance Board.

Under the financed purchase, the Board is required to pay basic rent due on each July 1, through July 1, 2029. The lease carries an interest rate of 3.70%. The total principal amount of the financed purchase was \$5,795,000.

Future Minimum Payments - Future minimum payments for the next five years under the purchase agreement along with the present value of the minimum financed purchase payments as of June 30, 2025 are:

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

6. Long-Term Liabilities (continued)

B. Financed Purchases Payable (continued)

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 1,357,989
2027	1,159,000
2028	1,159,000
2029	1,159,000
2030	1,159,000
Total Minimum Lease Payments	5,993,989
Less: Amount representing interest	(198,989)
Present Value of Net Minimum Payments	<u>\$ 5,795,000</u>

7. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public-school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tier 1 and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

Teachers' Pension and Annuity Fund (continued)

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

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5%. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2025, the State of New Jersey contributed \$33,422,951 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$5,392,784 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. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2025, 2024, and 2023 were \$2,581,181, \$2,544,415, and \$2,381,038, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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

Public Employees' Retirement System (PERS)

At June 30, 2025, the District reported a liability of \$26,049,031 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.1917055013 percent, which was an increase of 0.0013304092 percent from its proportion measured as of June 30, 2023.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

For the year ended June 30, 2025, the District recognized full accrual pension expense of \$376,920 in the government-wide financial statements. At June 30, 2024, 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	\$ 521,810	\$ 69,350
Changes of assumptions	32,361	296,378
Net difference between projected and actual earnings on pension plan investments		1,207,822
Changes in proportion and differences between District contributions and proportionate share of contributions	414,571	473,029
District contributions subsequent to the measurement date	2,581,181	
	\$ 3,549,923	\$ 2,046,579

\$2,581,181 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. The contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2026. 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:	
2026	\$ (1,194,605)
2027	767,189
2028	(420,043)
2029	(241,073)
2030	10,695
	\$ (1,077,837)

Actuarial Assumptions

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

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

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. 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.

Mortality Rates

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.

Long-Term 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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting 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-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 34,612,758	\$ 26,049,031	\$ 18,761,347

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees' Retirement System.

Additional Information

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

Deferred outflows of resources	\$ 1,079,580,780
Deferred inflows of resources	\$ 1,611,322,898
Net pension liability	\$ 13,702,423,985
District's Proportion	0.1917055013%

Collective pension expense for the Local Group for the measurement period ended June 30, 2024 is \$372,160,096. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, 2020, and 2019 is 5.08, 5.08, 5.04, 5.13, and 5.16 years, respectively.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$114.3 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$83,982.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2024 was \$293,351,346. The District's proportionate share was \$0. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State's proportionate share of the TPAF net pension liability associated with the District was 0.5935269869 percent, which was an increase of 0.0086204494 from its proportion measured as of June 30, 2023.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue in the government-wide financial statements of \$1,070,101 for contributions incurred by the State.

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. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75 – 5.65%
	based on years of service
Investment rate of return	7.00%

Mortality Rates

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.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

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

Discount Rate

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

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 348,689,604	\$ 293,351,346	\$ 246,746,072

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

7. Pension Plans (continued)

Pension plan fiduciary net position

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

Additional Information

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

Deferred outflows of resources	\$ 1,176,934,477
Deferred inflows of resources	\$ 10,530,833,639
Net pension liability	\$ 49,425,106,602
District's Proportion	0.5935269869%

Collective pension benefit of the Local Group for the plan for the measurement period ended June 30, 2024 is \$148,167,647. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2024, 2023, 2022, 2021, and 2019 is 7.84, 7.93, 7.83, 7.93, and 8.04 years, respectively.

8. Post-Retirement Benefits

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan:

The State Health Benefits Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. Accordingly, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 or more years 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) and the Public Employees' Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage 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.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

8. Post-Retirement Benefits (continued)

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits was \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021.

Additional information on Pensions and OPEB can be accessed on the Division of Pensions and benefits Financial Reports website at www.state.nj.us/treasury/pensions/financeialreports.shtml.

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education - Headcount (Active and Retired)	June 30, 2024
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiveing Benefits	153,556
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	372,741

Actuarial assumptions and other inputs

The total non-employer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024 and included in the June 30, 2024 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

8. Post-Retirement Benefits (continued)

Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "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.

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

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

Discount Rate

The discount rate used to measure the total OPEB liability for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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 and decreases to 4.50% in fiscal year 2033. 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%.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

8. Post-Retirement Benefits (continued)

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

	Total OPEB Liability
Beginning Total OPEB Liability, June 30, 2023	\$ 300,562,663
Changes for the year:	
Service cost	12,255,138
Interest	11,370,595
Differences between expected and actual experiences	3,781,402
Changes in assumption or other inputs	25,842,434
Member contributions	297,346
Benefit payments	(8,683,907)
Net changes	44,863,008
Ending Total OPEB Liability, June 30, 2024	\$ 345,425,671

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2024 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	At 1% decrease (2.93%)	At current discount rate (3.93%)	At 1% increase (4.93%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 404,567,439	\$ 345,425,671	\$ 297,863,413

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

8. Post-Retirement Benefits (continued)

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

	At 1% decrease	Current healthcare cost trend rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 287,742,099	\$ 345,425,671	\$ 420,562,331

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$13,057,957 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2024 are as follows:

Deferred outflows of resources	\$ 18,640,445,786
Deferred inflows of resources	\$ 25,058,850,175
Collective OPEB Expense	\$ 1,999,742,665
 District's Proportion	 0.53%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

9. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. The District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund and American Rescue Plan (ARP). To the extent that the District has not complied with the rules and regulations governing the ESSER and ARP funds, money may be required to be returned. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

10. Deferred Compensation Plans

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 401(a), 403(b) and 457(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with the amounts and all income attributable to these amounts are held in trust for the exclusive benefit of participating employees and their beneficiaries.

The plan administrators are as follows:

- A.I.G. Met Life Investment
- American Fund (Capital Guardian)
- Equitable
- Franklin Templeton Group
- ING

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 and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

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 District's withholdings are recorded in the Unemployment Compensation Reserve in the general fund.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

11. Risk Management (continued)

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 unemployment fund for the current and previous two years:

Fiscal Year	Beginning Balance	Board Contribution	Prior Year Refunds	Employee Contribution	Interest	Deductions	Ending Balance
2024-2025	\$ 1,138,418			\$ 20,975	\$ 37,258	\$ 62,551	\$ 1,134,100
2023-2024	1,227,810	\$ 20,380		182,036	42,779	334,587	1,138,418
2022-2023	547,727	19,616	\$ 688,718	179,779	9,324	217,354	1,227,810

Self-Insurance

The District is self-insured for medical, prescription and dental benefits and has established an internal service fund to account for its self-insurance activities. At June 30, 2025, the accrued liability for unpaid medical, prescription and dental claims of \$2,404,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical, prescription and dental benefits IBNR liability has been calculated by an actuary contracted by the District's claims administrator. The actuary utilized a 10% margin to estimate the liabilities. The change in the IBNR for the year ended June 30, 2025 is as follows:

Fiscal Year	Beginning Balance	Current Year Claims and Estimates	Claim Payments	Ending Balance
2024-2025	\$ 1,850,000	\$ 35,672,281	\$ 35,118,281	\$ 2,404,000
2023-2024	1,300,000	31,482,199	30,932,199	1,850,000
2022-2023	1,827,000	28,244,218	28,771,218	1,300,000

12. Economic Dependency

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

13. Transfers to Capital Outlay

During the year ending June 30, 2025, the District transferred \$2,929,353 to the capital outlay accounts. The transfers were made from the capital reserve account to supplement capital projects certified in the budget for taxes pursuant to N.J.A.C. 6A:23A-8.4.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

14. Transfers – Reconciliation

The following represents a reconciliation of transfers made during the 2025 fiscal year:

	<u>In</u>	<u>Out</u>
General Fund	\$ 1,428,443	
Enterprise Fund – Technology		\$ 38,893
Enterprise Fund – Community Programs		833,865
Enterprise Fund – Facilities Rentals		555,685
	<u>\$ 1,428,443</u>	<u>\$ 1,428,443</u>

The transfer from the enterprise funds to the general fund represent transfers of return on investment to the general fund.

15. Restricted Assets

Funds held by a fiscal agent in the internal service fund are held by the District's insurance advisor for payment of future claims are classified as restricted assets.

16. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$193,916,570 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 252,391,098
Bonds payable (used to build or acquire capital assets)	(48,940,000)
Deferred loss on refunding of debt	1,140,929
Unamortized premium on bonds	(1,642,230)
Financed purchases payable	(23,091,000)
Designated for subsequent years expenditures - Special Revenue Fund (unused lease proceeds)	<u>14,057,773</u>
Total net investment in capital assets	<u>\$ 193,916,570</u>

17. Commitments

The District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$1,287,483.

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

18. 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. 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.

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

The Township of East Brunswick recognized revenue of \$3,974,341 from the annual service charge in lieu of payment of taxes in 2024 and taxes in 2024 that otherwise would have been due on these long-term tax exemptions amounted to \$6,355,349, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$2,381,008 abatement would have been allocated to the District.

The Township of East Brunswick provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Township of East Brunswick are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

19. Reconciliation between Budgetary Basis of Accounting and GAAP Accounting

The District recorded the following accounts receivable ("AR") balances in the Special Revenue fund, which included encumbrances with fund expenditures in the supplementary schedules that follow the budgetary basis of accounting, while the balance sheets follow GAAP basis. The difference is shown below:

	Special Revenue Fund AR Reconciliation
GAAP AR	\$ 1,122,301
Encumbrances	4,475
Budgetary AR	<u>\$ 1,126,776</u>

East Brunswick Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2025

20. Change in Accounting Principle and Restatement of Net Position

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement establishes new recognition and measurement criteria for compensated absences, requiring governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is paid.

In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the provisions of GASB Statement No. 101 were adopted effective July 1, 2024. As a result, the compensated absences liability was restated as of June 30, 2024, and the cumulative effect of the change was recognized in the 2024 change of \$30,935,392 in net position for governmental activities and \$ 229,988 for business-type activities and enterprise funds.

**Required Supplementary Information
Part II**

**Schedules Related to Accounting and
Reporting for Pensions (GASB 68)**

East Brunswick Public Schools
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2016	2017	2018	2019	2020
Measurement date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
District's proportion of the net pension liability (asset) - Local Group	0.2001424156%	0.1977688257%	0.1940609018%	0.1925928900%	0.1968999996%
District's proportionate share of the net pension liability (asset)	\$ 44,927,962	\$ 58,573,454	\$ 45,174,276	\$ 37,920,580	\$ 35,478,393
District's covered payroll	\$ 13,368,140	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055	\$ 13,282,994
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	336.08%	441.98%	339.62%	276.57%	267.10%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	47.93%	40.14%	48.10%	53.60%	56.27%

N/A - Information not available

East Brunswick Public Schools
Schedule of District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Measurement date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
District's proportion of the net pension liability (asset) - Local Group	0.1925992817%	0.1945683060%	0.1888142211%	0.1903750921%	0.1917055013%
District's proportionate share of the net pension liability (asset)	\$ 31,407,906	\$ 23,049,533	\$ 28,494,665	\$ 27,574,640	\$ 26,049,031
District's covered payroll	\$ 14,092,514	\$ 13,867,408	\$ 14,096,915	\$ 14,780,471	\$ 15,383,503
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.87%	166.21%	202.13%	186.56%	169.33%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	58.32%	70.33%	62.91%	65.23%	68.22%

N/A - Information not available

East Brunswick Public Schools
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,720,688	\$ 1,756,950	\$ 1,797,767	\$ 1,853,416	\$ 1,925,028
Contributions in relation to the contractually required contribution	(1,720,688)	(1,756,950)	(1,797,767)	(1,853,416)	(1,925,028)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,252,553	\$ 13,301,469	\$ 13,711,055	\$ 13,282,994	\$ 14,092,514
Contributions as a percentage of covered payroll	12.98%	13.21%	13.11%	13.95%	13.66%

See accompanying notes to required supplementary information.

East Brunswick Public Schools
Schedule of District Contributions
Public Employees' Retirement System
Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution	\$ 2,106,941	\$ 2,278,621	\$ 2,381,038	\$ 2,544,415	\$ 2,581,181
Contributions in relation to the contractually required contribution	(2,106,941)	(2,278,621)	(2,381,038)	(2,544,415)	(2,581,181)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 13,867,408	\$ 14,096,915	\$ 14,780,471	\$ 15,383,503	\$ 15,411,246
Contributions as a percentage of covered payroll	15.19%	16.16%	16.11%	16.54%	16.75%

See accompanying notes to required supplementary information.

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.5738312934%	0.6048806937%	0.6044813962%	0.6031536811%	0.6033391834%	0.5984730122%	0.5859532826%	0.5935037320%	0.5849065375%	0.5935269869%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 362,685,882	\$ 475,837,667	\$ 407,563,154	\$ 383,713,416	\$ 370,274,952	\$ 394,087,277	\$ 281,698,146	\$ 306,214,783	\$ 298,493,420	\$ 293,351,346
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 362,685,882</u>	<u>\$ 475,837,667</u>	<u>\$ 407,563,154</u>	<u>\$ 383,713,416</u>	<u>\$ 370,274,952</u>	<u>\$ 394,087,277</u>	<u>\$ 281,698,146</u>	<u>\$ 306,214,783</u>	<u>\$ 298,493,420</u>	<u>\$ 293,351,346</u>
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

**Schedules Related to Accounting and
Reporting for OPEB (GASB 75)**

East Brunswick Public Schools
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated With the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employees' Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net OPEB liability (asset) associated with the District	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.57%	0.57%	0.58%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 341,602,391	\$ 316,476,368	\$ 271,308,212	\$ 244,508,234	\$ 399,285,805	\$ 351,383,925	\$ 290,905,660	\$ 300,562,663	\$ 345,425,671
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 341,602,391</u>	<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>	<u>\$ 290,905,660</u>	<u>\$ 300,562,663</u>	<u>\$ 345,425,671</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total OPEB Liability	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Changes for the year:									
Service cost		\$ 13,993,198	\$ 11,568,347	\$ 10,215,878	\$ 10,614,067	\$ 19,117,654	\$ 16,427,765	\$ 12,151,431	\$ 12,255,138
Interest cost		10,034,571	11,619,732	10,755,390	8,812,335	9,115,269	7,709,321	10,585,450	11,370,595
Changes of benefit terms		-	-	-	-	(374,005)	-	-	-
Difference between expected and actual experience		-	(31,218,308)	(44,133,699)	69,155,918	(69,160,219)	814,035	(5,705,426)	3,781,402
Changes of assumptions		(42,093,447)	(30,133,975)	3,645,638	72,935,796	346,667	(78,038,053)	605,810	25,842,434
Member contributions		269,919	250,733	222,489	210,692	233,033	244,977	271,268	297,346
Gross benefit payments		(7,330,264)	(7,254,685)	(7,505,674)	(6,951,237)	(7,180,279)	(7,636,310)	(8,251,530)	(8,683,907)
Net change in total OPEB liability		<u>(25,126,023)</u>	<u>(45,168,156)</u>	<u>(26,799,978)</u>	<u>154,777,571</u>	<u>(47,901,880)</u>	<u>(60,478,265)</u>	<u>9,657,003</u>	<u>44,863,008</u>
Total OPEB liability - beginning		<u>341,602,391</u>	<u>316,476,368</u>	<u>271,308,212</u>	<u>244,508,234</u>	<u>399,285,805</u>	<u>351,383,925</u>	<u>290,905,660</u>	<u>300,562,663</u>
Total OPEB liability - ending		<u>\$ 316,476,368</u>	<u>\$ 271,308,212</u>	<u>\$ 244,508,234</u>	<u>\$ 399,285,805</u>	<u>\$ 351,383,925</u>	<u>\$ 290,905,660</u>	<u>\$ 300,562,663</u>	<u>\$ 345,425,671</u>
Covered-employee payroll		<u>\$ 76,607,296</u>	<u>\$ 77,683,234</u>	<u>\$ 77,726,150</u>	<u>\$ 80,938,244</u>	<u>\$ 80,728,377</u>	<u>\$ 83,815,284</u>	<u>\$ 88,484,959</u>	<u>\$ 91,483,251</u>
Total OPEB liability as a percentage of covered-employee payroll		<u>413.12%</u>	<u>349.25%</u>	<u>314.58%</u>	<u>493.32%</u>	<u>435.27%</u>	<u>347.08%</u>	<u>339.68%</u>	<u>377.58%</u>

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

** information not available.

East Brunswick Public Schools
Notes to Required Supplementary Information
Year ended June 30, 2025

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM – PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

2. TEACHERS PENSION AND ANNUITY FUND - PENSION

Benefit Changes

There were none.

Changes of Assumptions

There were none.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024.

Required Supplementary Information
Part III

Budgetary Comparison

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 145,047,533		\$ 145,047,533	\$ 145,047,533	
Tuition (from individuals)	89,825		89,825	220,020	\$ 130,195
Tuition (other LEAS)	481,852		481,852	643,116	161,264
Investment income	1,315,000		1,315,000	1,177,655	(137,345)
Interest earned on capital reserve				5,792	5,792
Miscellaneous	593,841		593,841	1,027,665	433,824
Total - local sources	147,528,051		147,528,051	148,121,781	593,730
State sources:					
Extraordinary aid	1,776,293		1,776,293	2,508,829	732,536
Special education categorical aid	9,239,567		9,239,567	9,239,567	
Equalization aid	26,485,811		26,485,811	26,485,811	
Security aid	1,225,192		1,225,192	1,225,192	
Transportation aid	1,555,315		1,555,315	1,555,315	
Additional non-public school transportation aid				147,745	147,745
Homeless tuition reimbursement				169,074	169,074
Stabilized school budget aid	594,164		594,164	594,164	
On-Behalf TPAF - Pension contribution (non-budgeted)				25,855,008	25,855,008
On-Behalf TPAF - Post-retirement medical (non-budgeted)				7,554,854	7,554,854
On-Behalf TPAF - Long-term disability insurance (non-budgeted)				13,089	13,089
Reimbursed TPAF social security contributions (non-budgeted)				5,392,784	5,392,784
Total - state sources	40,876,342		40,876,342	80,741,432	39,865,090
Federal sources:					
Medical assistance	331,546		331,546	63,502	(268,044)
Total - federal sources	331,546		331,546	63,502	(268,044)
Total revenues	188,735,939		188,735,939	228,926,715	40,190,776
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Preschool	443,257	\$ (5,631)	437,626	437,626	
Kindergarten	2,166,629	(10,850)	2,155,779	2,155,779	
Grades 1-5	17,139,999	(901,982)	16,238,017	16,238,017	
Grades 6-8	9,783,358	355,093	10,138,451	10,138,451	
Grades 9-12	17,129,370	(177,295)	16,952,075	16,637,205	314,870
Home instruction - regular programs:					
Salaries of teachers		40,417	40,417	40,417	
Purchased professional-educational services	65,000	(45,249)	19,751	19,751	
Undistributed instruction - regular programs:					
Other salaries for instruction	230,550	(5,214)	225,336	225,336	
Purchased professional-educational services	972,685	494,904	1,467,589	1,463,003	4,586
Purchased technical services	88,804	8,337	97,141	97,141	
Other purchased services	848,694	(55,681)	793,013	766,123	26,890
General supplies	1,467,511	(137,413)	1,330,098	1,290,298	39,800
Textbooks	23,139	3,101	26,240	22,353	3,887
Other objects	9,342	(925)	8,417	5,594	2,823
Total instruction - regular programs	50,368,338	(438,388)	49,929,950	49,537,094	392,856

East Brunswick Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

Expenditures (continued)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current expenditures					
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	\$ 917,212	\$ (160,102)	\$ 757,110	\$ 757,110	
Other salaries for instruction	653,677	(110,137)	543,540	543,540	
Purchased professional - educational services	14,000	2,016	16,016	16,016	
Other purchased services	50		50		\$ 50
General supplies	2,700	850	3,550	3,197	353
Total learning and/or language disabilities	<u>1,587,639</u>	<u>(267,373)</u>	<u>1,320,266</u>	<u>1,319,863</u>	<u>403</u>
Emotional Regulation Impairment:					
Salaries of teachers	453,453	(106,468)	346,985	346,985	
Other salaries for instruction	192,299	(41,912)	150,387	150,387	
Purchased professional - educational services	11,500	(6,152)	5,348	5,348	
General supplies	8,000	(66)	7,934	3,464	4,470
Total emotional regulation impairment	<u>665,252</u>	<u>(154,598)</u>	<u>510,654</u>	<u>506,184</u>	<u>4,470</u>
Multiple disabilities:					
Salaries of teachers	429,342	23,581	452,923	452,923	
Other salaries for instruction	289,394	(38,824)	250,570	250,570	
Purchased professional - educational services	900	8,477	9,377	9,377	
Other purchased services	100	131	231	231	
General supplies	4,500	75	4,575	4,444	131
Total multiple disabilities	<u>724,236</u>	<u>(6,560)</u>	<u>717,676</u>	<u>717,545</u>	<u>131</u>
Resource room/center:					
Salaries of teachers	9,702,018	(214,812)	9,487,206	9,487,206	
Other salaries for instruction	626,230	(125,105)	501,125	501,125	
Purchased professional - educational services	89,000	7,760	96,760	96,760	
Other purchased services	300	(300)			
General supplies	24,500	2,036	26,536	21,591	4,945
Textbooks	500		500		500
Total resource room/center	<u>10,442,548</u>	<u>(330,421)</u>	<u>10,112,127</u>	<u>10,106,682</u>	<u>5,445</u>
Autism:					
Salaries of teachers	1,430,047	14,974	1,445,021	1,445,021	
Other salaries for instruction	1,241,821	(160,480)	1,081,341	1,081,341	
Purchased professional - educational services	36,000	4,656	40,656	40,656	
Other purchased services	100	45	145		145
General supplies	16,200	297	16,497	11,923	4,574
Total autism	<u>2,724,168</u>	<u>(140,508)</u>	<u>2,583,660</u>	<u>2,578,941</u>	<u>4,719</u>
Preschool disabilities - part time:					
Salaries of teachers	48,029	(8,339)	39,690	39,690	
Other salaries for instruction	28,638	(10,094)	18,544	18,544	
Purchased professional - educational services		1,444	1,444	1,444	
General supplies	2,500		2,500	1,941	559
Total preschool disabilities - part time	<u>79,167</u>	<u>(16,989)</u>	<u>62,178</u>	<u>61,619</u>	<u>559</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to</u>
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Preschool disabilities - full time:					
Salaries of teachers	\$ 428,362	\$ (9,560)	\$ 418,802	\$ 418,802	
Other salaries for instruction	234,914	(16,785)	218,129	218,129	
Purchased professional - educational services	15,000	(2,712)	12,288	12,288	
General supplies	4,500	696	5,196	5,127	\$ 69
Total preschool disabilities - full time	<u>682,776</u>	<u>(28,361)</u>	<u>654,415</u>	<u>654,346</u>	<u>69</u>
Home instruction - special education:					
Salaries of teachers		46,350	46,350	46,350	
Purchased professional - educational services	65,000	(23,383)	41,617	41,617	
Total home instruction - special education	<u>65,000</u>	<u>22,967</u>	<u>87,967</u>	<u>87,967</u>	
Total special education	<u>16,970,786</u>	<u>(921,843)</u>	<u>16,048,943</u>	<u>16,033,147</u>	<u>15,796</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,149,225	(182,988)	1,966,237	1,966,237	
Purchased professional - educational services	1,500	3,620	5,120	5,120	
Other purchased services	100	75	175	132	43
General supplies	36,537	409	36,946	32,272	4,674
Total basic skills/remedial - instruction	<u>2,187,362</u>	<u>(178,884)</u>	<u>2,008,478</u>	<u>2,003,761</u>	<u>4,717</u>
Bilingual education - instruction:					
Salaries of teachers	1,256,280	13,500	1,269,780	1,269,780	
Other purchased services	400	430	830	398	432
Purchased professional - educational services	4,200	(2,360)	1,840	1,840	
General supplies	11,471	1,161	12,632	9,012	3,620
Total bilingual education - instruction	<u>1,272,351</u>	<u>12,731</u>	<u>1,285,082</u>	<u>1,281,030</u>	<u>4,052</u>
School - sponsored cocurricular activities:					
Salaries	356,724	(16,527)	340,197	340,197	
Purchased services	56,422	(15,650)	40,772	40,046	726
Supplies and materials	6,900	29	6,929	6,529	400
Other objects	9,600	925	10,525	9,720	805
Total school-sponsored cocurricular activities	<u>429,646</u>	<u>(31,223)</u>	<u>398,423</u>	<u>396,492</u>	<u>1,931</u>
School - sponsored athletics - instruction:					
Salaries	909,230	32,008	941,238	941,238	
Purchased services	111,171	558	111,729	108,414	3,315
Supplies and materials	113,929	(2,891)	111,038	109,143	1,895
Other objects	5,000		5,000	4,200	800
Transfers to cover deficit (agency funds)	78,000	(10,320)	67,680	67,680	
Total school - sponsored athletics - instruction	<u>1,217,330</u>	<u>19,355</u>	<u>1,236,685</u>	<u>1,230,675</u>	<u>6,010</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to</u>
Expenditures (continued)					
Current expenditures (continued):					
Alternative Education:					
Salaries of teachers	\$ 125,640	\$ (24,058)	\$ 101,582	\$ 101,582	
Total alternative education	<u>125,640</u>	<u>(24,058)</u>	<u>101,582</u>	<u>101,582</u>	
Total instruction	<u>72,571,453</u>	<u>(1,562,310)</u>	<u>71,009,143</u>	<u>70,583,781</u>	\$ 425,362
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - regular	28,372	26,551	54,923	54,910	13
Tuition to other LEAs w/in the state - special	1,810,522	10,576	1,821,098	1,814,127	6,971
Tuition to CSSD and regional day schools	119,260	35,590	154,850	154,850	
Tuition to private schools disabled - within state	<u>2,502,871</u>	<u>(247,084)</u>	<u>2,255,787</u>	<u>2,255,787</u>	
Total instruction	<u>4,461,025</u>	<u>(174,367)</u>	<u>4,286,658</u>	<u>4,279,674</u>	6,984
Attendance and social work services:					
Salaries	305,294	(14,791)	290,503	290,503	
Other purchased services	7,118		7,118	2,053	5,065
Supplies and materials	<u>2,400</u>	<u>1,862</u>	<u>4,262</u>	<u>2,761</u>	<u>1,501</u>
Total attendance and social work services	<u>314,812</u>	<u>(12,929)</u>	<u>301,883</u>	<u>295,317</u>	6,566
Health services:					
Salaries	1,213,532	(13,671)	1,199,861	1,199,861	
Purchased professional and technical services	440,868	223,868	664,736	657,226	7,510
Other purchased services	11,245	(174)	11,071	10,189	882
Supplies and materials	<u>44,018</u>	<u>(5,676)</u>	<u>38,342</u>	<u>37,352</u>	<u>990</u>
Total health services	<u>1,709,663</u>	<u>204,347</u>	<u>1,914,010</u>	<u>1,904,628</u>	9,382
Other support services - students - speech, OT, PT and related services:					
Salaries	1,810,827	(84,376)	1,726,451	1,726,451	
Purchased professional - educational services	1,877,506	(269,339)	1,608,167	1,608,167	
Supplies and materials	<u>12,075</u>	<u>(20)</u>	<u>12,055</u>	<u>9,431</u>	<u>2,624</u>
Total other support services - students - speech, OT, PT and related services	<u>3,700,408</u>	<u>(353,735)</u>	<u>3,346,673</u>	<u>3,344,049</u>	2,624
Other support services - students - extraordinary:					
Salaries	2,554,093	(224,784)	2,329,309	2,329,309	
Purchased professional - educational services	1,537,088	(167,052)	1,370,036	1,370,036	
Supplies and materials	32,500	(6,874)	25,626	21,604	4,022
Other objects	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>
Total other support services - students - extraordinary	<u>4,124,681</u>	<u>(398,710)</u>	<u>3,725,971</u>	<u>3,720,949</u>	5,022

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 3,850,869	\$ (185,547)	\$ 3,665,322	\$ 3,665,322	
Salaries of secretarial and clerical assistants	264,074	47,447	311,521	311,521	
Unused vacation payments to terminated/retired staff - normal retirements		33,206	33,206	33,206	
Other purchased professional and technical services	87,784	27,573	115,357	113,255	\$ 2,102
Other purchased services	14,994	100	15,094	8,899	6,195
Supplies and materials	18,200	(2,221)	15,979	7,914	8,065
Other objects	500		500	400	100
Total guidance	4,236,421	(79,442)	4,156,979	4,140,517	16,462
Child study teams:					
Salaries of other professional staff	2,898,959	(27,477)	2,871,482	2,871,482	
Salaries of secretarial and clerical assistants	283,890	(1,457)	282,433	282,433	
Unused vacation payments to terminated/retired staff - normal retirements		8,064	8,064	8,064	
Purchased professional - educational services	87,725	(1,599)	86,126	82,816	3,310
Other purchased professional and technical services	31,432	223	31,655	31,654	1
Other purchased services	7,950	500	8,450	6,564	1,886
Supplies and materials	19,300	2,068	21,368	20,426	942
Total child study teams	3,329,256	(19,678)	3,309,578	3,303,439	6,139
Improvement of instructional services:					
Salaries of supervisors of instruction	2,758,466	(121,411)	2,637,055	2,636,815	240
Salaries of other professional staff	215,218	(18,589)	196,629	196,629	
Salaries of secretarial and clerical assistants	287,416	(88,938)	198,478	198,478	
Other salaries	80,724		80,724	80,724	
Salaries of Facilitators, Math & Literacy coaches	102,733	(7,729)	95,004	95,004	
Unused vacation payments to terminated/retired staff - normal retirements		47,534	47,534	47,534	
Other purchased professional and technical services	40,513	1	40,514	40,514	
Other purchased services	59,600	(11,595)	48,005	24,434	23,571
Supplies and materials	27,135	167	27,302	19,992	7,310
Other objects	21,849	(280)	21,569	20,512	1,057
Total improvement of instructional services	3,593,654	(200,840)	3,392,814	3,360,636	32,178
Educational media services/school library:					
Salaries	1,030,418	(7,879)	1,022,539	1,022,539	
Other purchased professional and technical services	48,567	3,203	51,770	51,769	1
Other purchased services	2,845	(200)	2,645	1,678	967
Supplies and materials	108,561		108,561	101,183	7,378
Other objects	175		175	175	
Total educational media services / school library	1,190,566	(4,876)	1,185,690	1,177,169	8,521
Instructional staff training services:					
Salaries of other professional staff	352,975	97,089	450,064	450,064	
Other purchased services	4,755	835	5,590	4,632	958
Supplies and materials		35	35	35	
Other objects	1,750	830	2,580	2,580	
Total instructional staff training services	359,480	98,789	458,269	457,311	958

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 511,246	\$ (26,065)	\$ 485,181	\$ 485,181	
Legal services	400,625	(63,595)	337,030	313,453	\$ 23,577
Audit fees	87,000	72,753	159,753	80,253	79,500
Other purchased professional services	21,000	13,120	34,120	34,120	
Purchased technical services	44,300	8,726	53,026	33,225	19,801
Communications/telephone	295,001	(23,704)	271,297	220,582	50,715
BOE other purchased services	10,500	(1,120)	9,380	8,672	708
Miscellaneous purchased services	428,951	(43,406)	385,545	371,737	13,808
General supplies	14,365		14,365	3,018	11,347
BOE in-house training/meeting supplies	1,500		1,500	1,410	90
Miscellaneous expenditures	15,248		15,248	8,463	6,785
BOE membership dues/fees	36,335		36,335	35,574	761
Total support services-general administration	1,866,071	(63,291)	1,802,780	1,595,688	207,092
Support services-school administration:					
Salaries of principals / assistant principals	3,154,493	13,141	3,167,634	3,167,634	
Salaries of other professional staff	184,720	7,860	192,580	192,580	
Salaries of secretarial and clerical assistants	1,683,215	(115,975)	1,567,240	1,567,240	
Unused vacation payments to terminated/retired staff - normal retirements		17,346	17,346	17,346	
Purchased professional and technical services	2,500	(500)	2,000	1,899	101
Other purchased services	67,130	21,550	88,680	65,138	23,542
Supplies and materials	37,004	1,067	38,071	29,927	8,144
Other objects	19,885	350	20,235	20,235	
Total support services-school administration	5,148,947	(55,161)	5,093,786	5,061,999	31,787
Central services:					
Salaries	2,275,023	(25,942)	2,249,081	2,249,081	
Purchased professional services	102,297	14,454	116,751	73,076	43,675
Purchased technical services	47,600	(12,643)	34,957	34,957	
Miscellaneous purchased services	57,250	(17,319)	39,931	39,191	740
Supplies and materials	22,900	(5,847)	17,053	13,596	3,457
Interest on lease purchase agreements	780,293		780,293	777,430	2,863
Miscellaneous expenditures	8,495	789	9,284	8,168	1,116
Total central services	3,293,858	(46,508)	3,247,350	3,195,499	51,851
Administrative information technology:					
Salaries	1,790,808	(73,757)	1,717,051	1,717,051	
Unused vacation payments to terminated/retired staff - normal retirements		40,622	40,622	40,622	
Purchased technical services	634,727	34,989	669,716	664,118	5,598
Other purchased services	26,275	(8,590)	17,685	15,597	2,088
Supplies and materials	26,565	117,672	144,237	143,702	535
Other objects	500	(187)	313	313	
Total administrative information technology	2,478,875	110,749	2,589,624	2,581,090	8,534
Required maintenance for school facilities:					
Salaries	1,270,610	(121,409)	1,149,201	1,149,201	
Unused vacation payments to terminated/retired staff - normal retirements		4,192	4,192	4,192	
Cleaning, repair and maintenance services	1,024,261	(129,275)	894,986	894,545	441
General supplies	624,998	(209,439)	415,559	403,279	12,280
Other objects	158,481	714	159,195	150,332	8,863
Total required maintenance for school facilities	3,078,350	(455,217)	2,623,133	2,601,549	21,584

East Brunswick Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 1,244,000	\$ (118,475)	\$ 1,125,525	\$ 1,125,525	
Salaries of non-instructional aides	763,223	(82,799)	680,424	680,424	
Unused vacation payments to terminated/retired staff - normal retirements		9,107	9,107	9,107	
Purchased professional and technical services	87,700	34,760	122,460	122,460	
Cleaning, repair and maintenance services	5,045,225	(96,516)	4,948,709	4,887,838	\$ 60,871
Other purchased property services	74,000	(9,845)	64,155	64,155	
Insurance	1,209,420	17,921	1,227,341	1,227,341	
Miscellaneous purchased services	35,250	592	35,842	23,235	12,607
General supplies	285,313	8,849	294,162	294,079	83
Energy (electricity)	1,770,295	410,746	2,181,041	2,181,041	
Energy (natural gas)	708,919	100,335	809,254	809,254	
Other objects	15,875	(9,921)	5,954	5,954	
Interest ESIP Bonds	277,500		277,500	277,500	
Principal ESIP Bonds	480,000		480,000	480,000	
Total custodial services	11,996,720	264,754	12,261,474	12,187,913	73,561
Care and upkeep of grounds:					
Salaries	150,106	650	150,756	150,756	
Cleaning, repair and maintenance services	1,602,425	331,150	1,933,575	1,544,119	389,456
General supplies	32,400	272	32,672	31,629	1,043
Other objects	42,098	(22)	42,076	41,576	500
Total care and upkeep of grounds	1,827,029	332,050	2,159,079	1,768,080	390,999
Security:					
Salaries	3,067,545	334,620	3,402,165	3,402,165	
Purchased professional and technical services	144,362	(64,239)	80,123	77,724	2,399
Cleaning, Repair, and Maintenance Services	96,860	119,854	216,714	215,093	1,621
General supplies	58,599	1,586	60,185	56,818	3,367
Other objects	94,498	(10,445)	84,053	79,766	4,287
Total security	3,461,864	381,376	3,843,240	3,831,566	11,674
Student transportation services:					
Salaries - Non-instructional Aides	175,332	(21,553)	153,779	153,779	
Salaries for pupil transportation:					
Between home and school - regular	2,642,939		2,642,939	2,638,087	4,852
Other Purchased professional and technical services	48,485	1,299	49,784	44,798	4,986
Cleaning, Repair, and Maintenance Services	340,070	145,127	485,197	485,197	
Lease Purchase Payments - School Buses	755,684		755,684	755,374	310
Contracted services:					
Aid in lieu of payments-Nonpublic students	301,735	(77,503)	224,232	224,232	
Vendors - between home and school	4,976,167	(794,403)	4,181,764	4,181,764	
Vendors - other than between home and school	705,209	(41,744)	663,465	647,902	15,563
Vendors - Special Ed	5,352,698	193,447	5,546,145	5,546,145	
ESCs & CTSAs - Special Ed	190,993	(174,932)	16,061	16,061	
Miscellaneous purchased services - transportation	187,905	(83,308)	104,597	104,068	529
General supplies	1,000	260	1,260	1,202	58
Transportation Supplies	251,809	(90,226)	161,583	161,280	303
Other objects	3,275		3,275	2,700	575
Total student transportation services	15,933,301	(943,536)	14,989,765	14,962,589	27,176

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Social security contributions	\$ 2,200,000	\$ (136,861)	\$ 2,063,139	\$ 2,063,008	\$ 131
Other retirement contributions - PERS	3,000,000	(198,356)	2,801,644	2,800,900	744
Unemployment compensation insurance	70,000	(7,449)	62,551	62,551	
Worker's compensation	591,166	(3,494)	587,672	587,672	
Health benefits	25,810,377	4,239,444	30,049,821	30,049,821	
Tuition reimbursement	205,500	(87,578)	117,922	117,922	
Other employee benefits	396,679	(367,191)	29,488	26,359	3,129
Unused sick payments to terminated/retired staff - normal retirements		177,012	177,012	177,012	
Total unallocated benefits	<u>32,273,722</u>	<u>3,615,527</u>	<u>35,889,249</u>	<u>35,885,245</u>	<u>4,004</u>
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				25,855,008	(25,855,008)
TPAF - Post-Retirement Medical (non-budgeted)				7,554,854	(7,554,854)
TPAF - Long-Term Disability Insurance (non-budgeted)				13,089	(13,089)
Reimbursed TPAF social security contributions (non-budgeted)				5,392,784	(5,392,784)
Total on-behalf payments				<u>38,815,735</u>	<u>(38,815,735)</u>
Total undistributed expenditures	<u>108,378,703</u>	<u>2,199,302</u>	<u>110,578,005</u>	<u>148,470,642</u>	<u>(37,892,637)</u>
Total current expenditures	<u>180,950,156</u>	<u>636,992</u>	<u>181,587,148</u>	<u>219,054,423</u>	<u>(37,467,275)</u>
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		1,786	1,786	1,786	
Grades 6-8		2,013	2,013	2,013	
Undistributed instruction:					
Administration information technology	305,040	(186,407)	118,633	115,375	3,258
Required maintenance for school facilities		35,022	35,022	30,139	4,883
Care and upkeep of grounds		2,847	2,847	2,847	
School-sponsored athletics	7,430		7,430		7,430
Total equipment	<u>312,470</u>	<u>(144,739)</u>	<u>167,731</u>	<u>152,160</u>	<u>15,571</u>
Facilities acquisition and construction services:					
Salaries	15,968		15,968	15,967	1
Architectural/engineering services	90,000	628,127	718,127	114,211	603,916
Other purchased professional and technical services		9,474	9,474	9,474	
Construction services	110,000	637,573	747,573	643,344	104,229
Supplies and materials	60,000		60,000		60,000
Lease purchase agreements - principal	10,503,210		10,503,210	10,503,210	
Other objects		350	350	350	
Assessment for Debt Service on SDA Funding	347,538		347,538	347,538	
Total facilities acquisition and construction services	<u>11,126,716</u>	<u>1,275,524</u>	<u>12,402,240</u>	<u>11,634,094</u>	<u>768,146</u>
Total expenditures - capital outlay	<u>11,439,186</u>	<u>1,130,785</u>	<u>12,569,971</u>	<u>11,786,254</u>	<u>783,717</u>
Charter schools	<u>5,834,247</u>	<u>57,100</u>	<u>5,891,347</u>	<u>5,891,347</u>	
Total expenditures	<u>198,223,589</u>	<u>1,824,877</u>	<u>200,048,466</u>	<u>236,732,024</u>	<u>(36,683,558)</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(9,487,650)</u>	<u>(1,824,877)</u>	<u>(11,312,527)</u>	<u>(7,805,309)</u>	<u>3,507,218</u>

East Brunswick Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources:					
Transfers in - Proprietary Funds	\$ 2,293,713		\$ 2,293,713	\$ 1,428,443	\$ (865,270)
Total other financing sources	<u>2,293,713</u>		<u>2,293,713</u>	<u>1,428,443</u>	<u>(865,270)</u>
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(7,193,937)	\$ (1,824,877)	(9,018,814)	(6,376,866)	2,641,948
Fund Balances, July 1	<u>18,114,144</u>		<u>18,114,144</u>	<u>18,114,144</u>	
Fund balances, June 30	<u>\$ 10,920,207</u>	<u>\$ (1,824,877)</u>	<u>\$ 9,095,330</u>	<u>\$ 11,737,278</u>	<u>\$ 2,641,948</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources					
Budgeted fund balance	\$ (4,645,000)	\$ (62,551)	(4,707,551)	\$ (2,071,394)	\$ 2,636,157
Budgeted fund balance - capital reserve	(2,548,937)	52,777	(2,496,160)	(2,490,369)	5,791
Adjustment for prior year encumbrances		(1,815,103)	(1,815,103)	(1,815,103)	
Total	<u>\$ (7,193,937)</u>	<u>\$ (1,824,877)</u>	<u>\$ (9,018,814)</u>	<u>\$ (6,376,866)</u>	<u>\$ 2,641,948</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve				\$ 602,898	
Unemployment Compensation				1,134,100	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,614,073	
Assigned Fund Balance:					
Year-end Encumbrances				1,287,483	
Designated for Subsequent Year's Expenditures				3,030,927	
Unassigned Fund Balance				<u>4,067,797</u>	
				11,737,278	
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				<u>(3,794,634)</u>	
Fund balance per Governmental Funds (GAAP) (B-1)				<u>\$ 7,942,644</u>	

East Brunswick Public Schools
Special Revenue Fund

Required Supplementary Information
Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 3,053,000	\$ 1,465,659	\$ 4,518,659	\$ 3,761,479	\$ (757,180)
State sources	359,900	101,627	461,527	435,508	(26,019)
Other sources	50,000	30,666,128	30,716,128	1,016,642	(29,699,486)
Total revenues	<u>3,462,900</u>	<u>32,233,414</u>	<u>35,696,314</u>	<u>5,213,629</u>	<u>(30,482,685)</u>
Expenditures:					
Current expenditures:					
Instruction:					
Salaries	695,014	541,384	1,236,398	889,921	346,477
Purchased professional educational services	143,900	23,059	166,959	164,145	2,814
Other purchased services	1,716,834	424,311	2,141,145	2,140,948	197
Supplies and materials	184,915	906,567	1,091,482	418,141	673,341
Textbooks	1,318	26,827	28,145	28,145	
Total instruction	<u>2,741,981</u>	<u>1,922,148</u>	<u>4,664,129</u>	<u>3,641,300</u>	<u>1,022,829</u>
Support services:					
Salaries	131,753	50,371	182,124	101,713	80,411
Personal services - employee benefits	205,160	132,661	337,821	288,865	48,956
Purchased professional technical services	81,474	52,814	134,288	125,034	9,254
Purchased professional educational services	128,000	24,629	152,629	132,618	20,011
Other purchased services	26,127	14,504	40,631	25,281	15,350
Travel	2,479	(2,479)			
Supplies and materials	134,283	51,711	185,994	176,814	9,180
Student activities				754,162	(754,162)
Total support services	<u>709,276</u>	<u>324,211</u>	<u>1,033,487</u>	<u>1,604,487</u>	<u>(571,000)</u>
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment	3,659	374,182	377,841	92,155	285,686
Regular education - school buses		1,993,098	1,993,098	1,331,944	661,154
Purchased professional technical services		15,942	15,942	14,323	1,619
Architectural/engineering services		397,824	397,824	170,259	227,565
Construction services	7,984	27,206,009	27,213,993	3,929,427	23,284,566
Total facilities acquisition and construction services	<u>11,643</u>	<u>29,987,055</u>	<u>29,998,698</u>	<u>5,538,108</u>	<u>24,460,590</u>
Total expenditures	<u>3,462,900</u>	<u>32,233,414</u>	<u>35,696,314</u>	<u>10,783,895</u>	<u>24,912,419</u>
(Deficiency) of revenues (under) expenditures	-	-	-	(5,570,266)	(5,570,266)
Other financing sources:					
Financed purchase proceeds		-	-	5,795,000	5,795,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,795,000</u>	<u>5,795,000</u>
Net change in fund balance	-	-	-	224,734	224,734
Fund Balance, July 1	14,397,036	-	14,397,036	14,397,036	-
Fund Balance, June 30	<u>\$ 14,397,036</u>	<u>\$ -</u>	<u>\$ 14,397,036</u>	<u>\$ 14,621,770</u>	<u>\$ 224,734</u>
Recapitulation:					
Restricted:					
Student activities				\$ 563,997	
Assigned fund balance - designated for subsequent year's expenditures				14,057,773	
Total Fund Balance				<u>\$ 14,621,770</u>	

East Brunswick Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 228,926,715	\$ 5,213,629
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		
Prior year		126,118
Current year		(16,946)
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP purposes in the current fiscal year.	3,919,871	
State aid payments recognized for budgetary purposes, not recognized for GAAP purposes	(3,794,634)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 229,051,952	\$ 5,322,801
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 236,732,024	\$ 10,783,895
Differences - budget to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		
Prior year		126,118
Current year		(16,946)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 236,732,024	\$ 10,893,067

Supplementary Information

Special Revenue Fund

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2025

	Title I Part A	Title II Part A	Title III Part A	Title III Immigrant	Title IV Part A	I.D.E.A.	
						Part B	Preschool
Revenues:							
Federal sources	\$ 802,889	\$ 93,168	\$ 41,847	\$ 12,289	\$ 55,014	\$ 2,205,573	\$ 73,757
State sources							
Other sources							
Total revenues	<u>\$ 802,889</u>	<u>\$ 93,168</u>	<u>\$ 41,847</u>	<u>\$ 12,289</u>	<u>\$ 55,014</u>	<u>\$ 2,205,573</u>	<u>\$ 73,757</u>
Expenditures:							
Instruction:							
Salaries	\$ 510,867		\$ 25,062				
Purchased professional/educational services						\$ 2,091,274	\$ 30,000
Other purchased services							
Instructional supplies	50,276		3,343	\$ 1,306	\$ 53,940		
Textbooks							
Total instruction	<u>561,143</u>		<u>28,405</u>	<u>1,306</u>	<u>53,940</u>	<u>2,091,274</u>	<u>30,000</u>
Support services:							
Salaries	27,164	\$ 13,424	3,472	169	758	40,767	1,367
Personal services—employee benefits	207,304	2,552	2,652	71	316	17,018	570
Purchased professional/technical services	3,700	23,000				56,514	41,820
Purchased professional/educational services							
Other purchased services	1,765	11,830	4,318	2,843			
Supplies and materials	1,813	42,362	3,000	7,900			
Student activities							
Total support services	<u>241,746</u>	<u>93,168</u>	<u>13,442</u>	<u>10,983</u>	<u>1,074</u>	<u>114,299</u>	<u>43,757</u>
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment							
Regular education - school buses							
Purchased professional/technical services							
Architectural / Engineering services							
Construction services							
Total facilities acquisition and construction services							
Total expenditures	<u>802,889</u>	<u>93,168</u>	<u>41,847</u>	<u>12,289</u>	<u>55,014</u>	<u>2,205,573</u>	<u>73,757</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-
Other financing sources:							
Financed purchases							
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2025

	COVID-19 Education Stabilization Fund			
	COVID-19 NJ High Impact Tutoring	ARP Learning Acceleration	ARP Summer Learning	Adult Basic Education
Revenues:				
Federal sources	\$ 125,975	\$ 6,408	\$ 4,683	\$ 339,876
State sources				
Other sources				
Total revenues	<u>\$ 125,975</u>	<u>\$ 6,408</u>	<u>\$ 4,683</u>	<u>\$ 339,876</u>
Expenditures:				
Instruction:				
Salaries	\$ 116,021		\$ 4,313	\$ 223,647
Purchased professional/educational services				
Other purchased services				
Instructional supplies				57,733
Textbooks				1,800
Total instruction	<u>116,021</u>		<u>4,313</u>	<u>283,180</u>
Support services:				
Salaries		\$ 3,818		7,526
Personal services—employee benefits	9,954	2,590	370	44,454
Purchased professional/technical services				
Purchased professional/educational services				
Other purchased services				4,225
Supplies and materials				491
Student activities				
Total support services	<u>9,954</u>	<u>6,408</u>	<u>370</u>	<u>56,696</u>
Capital outlay:				
Facilities acquisition and construction services				
Instructional equipment				
Regular education - school buses				
Purchased professional/technical services				
Architectural / Engineering services				
Construction services				
Total facilities acquisition and construction services				
Total expenditures	<u>125,975</u>	<u>6,408</u>	<u>4,683</u>	<u>339,876</u>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-
Other financing sources:				
Financed purchases				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2025

	NJ Nonpublic Auxiliary Services, Ch. 192		NJ Nonpublic Handicapped Services, Ch. 193						
	Compensatory Education	Supplemental Instruction	Examination and Classification	Corrective Speech	Nonpublic Textbook Aid	Nonpublic Nursing	Nonpublic Technology Services	Nonpublic Security	Nonpublic Teach STEM
Revenues:									
Federal sources									
State sources	\$ 131,519	\$ 32,626	\$ 33,379	\$ 19,530	\$ 26,345	\$ 54,575	\$ 25,134	\$ 101,623	\$ 10,777
Other sources									
Total revenues	\$ 131,519	\$ 32,626	\$ 33,379	\$ 19,530	\$ 26,345	\$ 54,575	\$ 25,134	\$ 101,623	\$ 10,777
Expenditures:									
Instruction:									
Salaries									\$ 10,011
Purchased professional/educational services	\$ 131,519	\$ 32,626			\$ 26,345				
Other purchased services									
Supplies and materials									
Textbooks									
Total instruction	131,519	32,626			26,345				10,011
Support services:									
Salaries									
Personal services—employee benefits									766
Purchased professional/technical services									
Purchased professional/educational services			\$ 33,379	\$ 19,530		\$ 54,575	\$ 25,134		
Other purchased services									
Supplies and materials								\$ 101,623	
Student activities									
Total support services			33,379	19,530		54,575	25,134	101,623	766
Capital outlay:									
Facilities acquisition and construction services									
Instructional equipment									
School Buses-Regular									
Purchased professional/technical services									
Architectural / Engineering services									
Construction services									
Total facilities acquisition and construction services									
Total expenditures	131,519	32,626	33,379	19,530	26,345	54,575	25,134	101,623	10,777
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	-	-	-	-	-	-
Other financing sources:									
Financed purchases									
Total other financing sources	-	-	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	-	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2025

	East Brunswick Education Fund	PTA Grants	Other Local	2014-2015 Lease Agreement Township of East Brunswick	2016-2017 Lease Agreement Township of East Brunswick	2018-2019 Lease Agreement Township of East Brunswick	2019-2020 Lease Agreement Township of East Brunswick
Revenues:							
Federal sources							
State sources							
Other sources	\$ 74,411	\$ 24,218	\$ 27,257				
Total revenues	\$ 74,411	\$ 24,218	\$ 27,257				
Expenditures:							
Instruction:							
Salaries							
Purchased professional/educational services							
Other purchased services	\$ 19,674						
Supplies and materials	34,520	\$ 2,998	\$ 1,869				
Textbooks							
Total instruction	54,194	2,998	1,869				
Support services:							
Salaries			3,248				
Personal services—employee benefits			248				
Purchased professional/technical services							
Purchased professional/educational services							
Other purchased services							300
Supplies and materials		7,134	722				
Student activities							
Total support services		7,134	4,518				
Capital outlay:							
Facilities acquisition and construction services							
Instructional equipment	17,545	7,307					
Regular education - school buses					\$ 78,458		
Purchased professional/technical services							
Architectural / Engineering services			(1)				
Construction services	2,672	6,779	20,871	\$ 20,618	200	\$ 5,690	\$ 271,977
Total facilities acquisition and construction services	20,217	14,086	20,870	20,618	78,658	5,690	271,977
Total expenditures	74,411	24,218	27,257	20,618	78,658	5,690	271,977
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	(20,618)	(78,658)	(5,690)	(271,977)
Other financing sources:							
Financed purchases							
Total other financing sources	-	-	-	-	-	-	-
Net changes in fund balance	-	-	-	(20,618)	(78,658)	(5,690)	(271,977)
Fund balance, July 1	-	-	-	\$ 20,618	79,298	5,690	279,503
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 640	\$ -	\$ 7,526

East Brunswick Public Schools
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2025

	2020-2021 Lease Agreement Township of East Brunswick	2020-2021 Lease Agreement Trust Bank	2021-2022 Lease Agreement Township of East Brunswick	2022-2023 Lease Agreement Township of East Brunswick	2023-2024 Lease Agreement Township of East Brunswick	2024-2025 Lease Agreement Township of East Brunswick	Student Activity Funds	Totals
Revenues:								
Federal sources								\$ 3,761,479
State sources								435,508
Other sources		\$ 154,025					\$ 736,731	1,016,642
Total revenues		\$ 154,025					\$ 736,731	\$ 5,213,629
Expenditures:								
Instruction:								
Salaries								\$ 889,921
Purchased professional/educational services								190,490
Other purchased services								2,140,948
Supplies and materials				\$ 212,156				418,141
Textbooks								1,800
Total instruction				212,156				3,641,300
Support services:								
Salaries								101,713
Personal services—employee benefits								288,865
Purchased professional/technical services								125,034
Purchased professional/educational services								132,618
Other purchased services								25,281
Supplies and materials			\$ 192	3,582	\$ 7,995			176,814
Student activities							\$ 754,162	754,162
Total support services			192	3,582	7,995		754,162	1,604,487
Capital outlay:								
Facilities acquisition and construction services								
Instructional equipment						\$ 67,303		92,155
Regular education - school buses				260,000		993,486		1,331,944
Purchased professional/technical services				13,242	1,081			14,323
Architectural / Engineering services		\$ 46,893	113,832		9,535			170,259
Construction services	\$ 35,237	19,960	1,152,744	997,774		1,394,905		3,929,427
Total facilities acquisition and construction services	35,237	66,853	1,266,576	1,271,016	10,616	2,455,694		5,538,108
Total expenditures	35,237	66,853	1,266,768	1,486,754	18,611	2,455,694	754,162	10,783,895
Excess/(deficiency) of revenues over/(under) expenditures	(35,237)	87,172	(1,266,768)	(1,486,754)	(18,611)	(2,455,694)	(17,431)	(5,570,266)
Other financing sources:								
Financed purchases						5,795,000		5,795,000
Total other financing sources	-	-	-	-	-	5,795,000	-	5,795,000
Net changes in fund balance	(35,237)	87,172	(1,266,768)	(1,486,754)	(18,611)	3,339,306	(17,431)	224,734
Fund balance, July 1	293,716	3,766,442	1,594,205	2,012,908	5,763,228	-	581,428	14,397,036
Fund balance, June 30	\$ 258,479	\$ 3,853,614	\$ 327,437	\$ 526,154	\$ 5,744,617	\$ 3,339,306	\$ 563,997	\$ 14,621,770

Long-Term Debt

East Brunswick Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2024	Retired	Balance June 30, 2025
			Date	Amount				
School Energy Savings Improvement Program - Refunding Bonds	2/6/2019	\$ 8,135,000	8/1/2025	\$ 415,000	5.000%			
			8/1/2026	455,000	5.000%			
			8/1/2027	490,000	5.000%			
			8/1/2028	535,000	5.000%			
			8/1/2029	575,000	5.000%			
			8/1/2030	620,000	4.000%			
			8/1/2031	665,000	4.000%			
			8/1/2032	705,000	4.000%			
			8/1/2033	755,000	4.000%			
			8/1/2034	805,000	4.000%			
					\$ 6,500,000	\$ 480,000	\$ 6,020,000	
2020 Refunding of 2010 School Bonds	2/25/2020	10,355,000	5/15/2026	395,000	5.000%			
			5/15/2027	420,000	5.000%			
			5/15/2028	445,000	5.000%			
			5/15/2029	470,000	5.000%			
			5/15/2030	495,000	5.000%			
			5/15/2031	525,000	5.000%			
			5/15/2032	555,000	4.000%			
			5/15/2033	575,000	4.000%			
			5/15/2034	600,000	4.000%			
			5/15/2035	625,000	4.000%			
			5/15/2036	655,000	4.000%			
			5/15/2037	685,000	3.000%			
			5/15/2038	700,000	3.000%			
			5/15/2039	730,000	3.000%			
			5/15/2040	755,000	3.000%			
					9,005,000	375,000	8,630,000	
2022 Refunding of 2012 School Bonds	8/3/2022	41,355,000	11/1/2025	3,570,000	2.430%			
			11/1/2026	3,505,000	2.430%			
			11/1/2027	3,445,000	2.430%			
			11/1/2028	3,380,000	2.430%			
			11/1/2029	3,310,000	2.430%			
			11/1/2030	3,605,000	2.430%			
			11/1/2031	3,525,000	2.430%			
			11/1/2032	3,450,000	2.430%			
			11/1/2033	3,360,000	2.430%			
			11/1/2034	3,140,000	2.430%			
					<u>\$ 53,060,000</u>	<u>\$ 4,120,000</u>	<u>\$ 48,940,000</u>	

East Brunswick Public Schools
Long-Term Debt

Schedule of Financed Purchases Payable

Year ended June 30, 2025

	Interest Rate	Amount of Original Issue	Balance July 1, 2024	Additions	Adjustments	Current Retired	Balance June 30, 2025
Capital Improvement Projects - 2020 Lease with East Brunswick Township	1.20%	\$ 14,600,000	\$ 2,920,000			\$ 2,920,000	
Capital Improvement Projects - 2021 Lease with East Brunswick Township	1.16%	3,600,000	720,000		\$ 720,000	720,000	\$ 720,000
Capital Improvement Projects - 2022 Lease with East Brunswick Township	0.30%	4,200,000	2,520,000			840,000	1,680,000
Capital Improvement Projects - 2023 Lease with East Brunswick Township	0.30%	17,100,000	13,680,000			3,420,000	10,260,000
Capital Improvement Projects - 2024 Lease with East Brunswick Township	3.70%	5,795,000	5,795,000			1,159,000	4,636,000
Capital Improvements - Truist Bank	1.35%	13,685,000	2,885,000			2,885,000	
Capital Improvement Projects - 2025 Lease with East Brunswick Township	3.70%	5,795,000		\$ 5,795,000			5,795,000
			<u>\$ 28,520,000</u>	<u>\$ 5,795,000</u>	<u>\$ 720,000</u>	<u>\$ 11,944,000</u>	<u>\$ 23,091,000</u>

East Brunswick Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:				
Local sources:				
Local tax levy	\$ 4,687,003	\$ 4,687,003	\$ 4,687,003	
Total revenues	<u>4,687,003</u>	<u>4,687,003</u>	<u>4,687,003</u>	
Expenditures:				
Principal on debt	3,640,000	3,640,000	3,640,000	
Interest on debt	1,235,668	1,235,668	1,235,667	\$ 1
Total expenditures	<u>4,875,668</u>	<u>4,875,668</u>	<u>4,875,667</u>	<u>1</u>
(Deficiency) of revenues (under) expenditures	(188,665)	(188,665)	(188,664)	1
Fund balance, July 1	188,666	188,666	188,666	
Fund balance, June 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>

Statistical Section
(Unaudited)

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain historical trend information to help the reader understand how the District's financial performance and financial position have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

East Brunswick Public Schools
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 130,190,096	\$ 136,473,915	\$ 142,447,803	\$ 150,002,200	\$ 155,044,226	\$ 162,985,803	\$ 170,257,553	\$ 178,647,601	\$ 188,134,607	\$ 193,916,570
Restricted	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686	10,779,387	8,897,939	3,915,068
Unrestricted (deficit)	(38,447,639)	(40,955,477)	(41,425,952)	(41,746,622)	(41,545,336)	(37,296,619)	(22,593,918)	(26,507,767)	(26,855,186)	(54,787,663)
Total governmental activities net position	\$ 109,245,284	\$ 111,903,075	\$ 120,169,386	\$ 126,425,875	\$ 131,842,308	\$ 141,004,905	\$ 158,097,321	\$ 162,919,221	\$ 170,177,360	\$ 143,043,975
Business-type activities										
Investment in capital assets	\$ 440,722	\$ 487,181	\$ 502,498	\$ 490,034	\$ 457,057	\$ 408,211	\$ 391,113	\$ 1,010,841	\$ 1,033,896	\$ 1,567,317
Unrestricted	2,266,401	2,209,380	2,360,126	2,543,282	2,317,227	1,554,869	3,864,569	4,000,457	4,083,834	3,931,776
Total business-type activities net position	\$ 2,707,123	\$ 2,696,561	\$ 2,862,624	\$ 3,033,316	\$ 2,774,284	\$ 1,963,080	\$ 4,255,682	\$ 5,011,298	\$ 5,117,730	\$ 5,499,093
Government-wide										
Net investment in capital assets	\$ 130,630,818	\$ 136,961,096	\$ 142,950,301	\$ 150,492,234	\$ 155,501,283	\$ 163,394,014	\$ 170,648,666	\$ 179,658,442	\$ 189,168,503	\$ 195,483,887
Restricted	17,502,827	16,384,637	19,147,535	18,170,297	18,343,418	15,315,721	10,433,686	10,779,387	8,897,939	3,915,068
Unrestricted (deficit)	(36,181,238)	(38,746,097)	(39,065,826)	(39,203,340)	(39,228,109)	(35,741,750)	(18,729,349)	(22,507,310)	(22,771,352)	(50,855,887)
Total government-wide net position	\$ 111,952,407	\$ 114,599,636	\$ 123,032,010	\$ 129,459,191	\$ 134,616,592	\$ 142,967,985	\$ 162,353,003	\$ 167,930,519	\$ 175,295,090	\$ 148,543,068

Source: ACFR Schedule A-1 and District records.

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$1,375,547. This amount is not reflected in the June 30, 2020 Net Position, above.

GASB Statement No. 101 was implemented during the 2025 fiscal year, which required a retroactive adjustment of beginning net position in the amount of (\$16,286,699). This amount is not reflected in the June 30, 2024 Net Position, above.

East Brunswick Public Schools
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 72,875,349	\$ 80,070,187	\$ 82,512,817	\$ 73,533,156	\$ 75,992,707	\$ 85,945,997	\$ 79,325,498	\$ 80,421,344	\$ 78,089,733	\$ 74,715,430
Special Education	23,574,092	24,696,833	25,112,417	24,221,633	24,195,306	25,140,440	23,272,993	25,552,966	26,424,347	26,532,540
Other Special Education	6,123,010	7,312,040	7,522,335	7,061,494	6,969,391	8,225,240	7,500,829	6,860,309	7,163,837	7,435,532
Support services:										
Tuition	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546	2,185,857	3,779,207	4,279,674
Student & Instruction Related Services	28,307,168	33,274,760	32,243,803	30,835,965	28,629,194	32,137,788	30,189,905	32,907,640	34,376,717	32,761,187
School Administrative Services	8,390,585	8,954,594	9,438,744	8,712,715	8,326,857	9,536,348	8,407,020	8,808,460	7,756,484	7,637,750
General and Business Administrative Services	8,633,111	9,509,700	9,798,590	9,196,495	9,371,226	10,262,786	9,340,082	9,944,280	9,626,916	9,599,236
Plant Operations and Maintenance	15,438,680	17,248,552	18,667,797	18,695,399	18,656,056	20,751,098	21,355,069	23,201,496	23,849,000	25,006,862
Pupil Transportation	8,370,455	9,725,990	10,386,458	11,101,169	9,895,612	9,859,627	11,605,075	16,346,542	16,456,060	16,479,732
Special Schools				24,014	14,840	52,053	35,214		11,631	
Charter Schools*	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,908,178	4,398,913	4,978,836	5,891,347
Interest and other charges	3,580,983	3,272,398	3,079,180	3,085,432	2,817,287	2,590,700	2,210,286	700,924	2,264,031	1,981,204
Total governmental activities	179,970,277	199,046,637	203,904,935	192,105,187	190,343,767	210,057,146	198,929,695	211,340,353	214,776,799	212,320,494
Business-type activities:										
Food service	2,680,889	2,934,130	3,010,836	3,222,140	2,688,518	2,910,095	3,985,393	3,728,252	3,867,135	4,187,389
Community Programs	2,447,648	2,641,014	2,833,842	2,815,848	2,830,324	1,858,213	2,324,188	2,689,829	2,784,477	2,862,339
Facilities Rentals**		234,894	327,386		230,051	24,778	245,950	459,986	567,571	600,029
Technology				429,023			66,979	78,788	119,166	124,599
Total business-type activities expense	5,128,537	5,810,038	6,172,064	6,467,011	5,748,893	4,793,086	6,622,510	6,954,855	7,338,349	7,774,356
Total district expenses	185,098,814	204,856,675	210,076,999	198,572,198	196,092,660	214,850,232	205,552,205	218,295,208	222,115,148	220,094,850
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571	628,586	576,072	1,017,161
Student and instruction related services							632,958	871,785	891,263	736,731
Operating grants and contributions	3,610,352	3,477,402	3,439,319	3,533,693	3,484,760	4,776,862	8,002,663	9,567,355	9,191,381	4,432,045
Capital grants and contributions		1,676,240	226,053							
Total governmental activities program revenues	4,086,330	6,021,898	4,707,485	4,428,795	4,184,654	6,196,835	9,314,592	11,067,726	10,658,716	6,185,937
Business-type activities:										
Charges for services										
Food service	1,981,236	2,089,646	2,102,393	2,249,304	1,597,544	31,635	513,177	2,622,695	2,791,707	2,782,768
Community Programs	3,109,991	2,963,049	3,363,839	3,621,566	2,409,690	862,783	2,757,667	3,311,538	3,619,535	3,630,186
Facilities Rentals**		601,910	728,881	923,997	356,301	1,526	486,668	191,900	236,592	1,122,347
Technology							199,174	773,190	990,582	163,492
Operating grants and contributions	857,304	911,506	1,017,532	1,083,113	1,045,955	3,083,538	4,948,091	1,815,423	1,806,775	1,872,524
Total business-type activities program revenues	5,948,531	6,566,111	7,232,645	7,877,980	5,409,490	3,979,482	8,914,777	8,714,746	9,445,191	9,571,317
Total district program revenues	10,034,861	12,588,009	11,940,130	12,306,775	9,594,144	10,176,317	18,229,369	19,782,472	20,103,907	15,757,254
Net (Expense) / Revenue										
Governmental activities	(175,883,947)	(193,024,739)	(199,197,450)	(187,676,392)	(186,159,113)	(203,860,311)	(189,615,103)	(200,272,627)	(204,118,083)	(206,134,557)
Business-type activities	819,994	756,073	1,060,581	1,410,969	(339,403)	(813,604)	2,232,267	1,759,891	2,106,842	1,796,961
Total government-wide net expense	\$ (175,063,953)	\$ (192,268,666)	\$ (198,136,869)	\$ (186,265,423)	\$ (186,498,516)	\$ (204,673,915)	\$ (187,322,836)	\$ (198,512,736)	\$ (202,011,241)	\$ (204,337,596)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 119,532,427	\$ 121,923,075	\$ 124,769,255	\$ 127,264,640	\$ 129,809,932	\$ 132,406,131	\$ 136,587,587	\$ 136,587,587	\$ 139,319,339	\$ 145,047,533
Taxes levied for debt service	8,406,666	8,254,263	7,655,421	7,371,342	6,699,984	6,632,912	6,343,263	5,302,157	4,986,025	4,687,003
Grants and contributions	51,579,165	65,967,501	72,722,934	60,150,455	53,986,819	72,206,494	60,603,307	58,789,350	61,862,174	57,022,058
Investment earnings	17,394	18,216	64,177	488,517	774,264	14,297	11,123	598,467	1,584,885	1,183,447
Miscellaneous income	638,028	601,196	1,573,749	369,672	210,547	387,527	3,162,239	2,809,295	1,574,184	568,080
Transfers	500,000	768,466	904,278	1,288,255			1,009,671	2,249,615	1,428,443	
Total governmental activities	180,673,680	197,132,717	207,689,814	196,932,881	191,475,546	211,647,361	206,707,519	205,094,527	211,376,222	209,936,564
Business-type activities:										
Investment earnings	1,160	1,831	6,812	47,978	80,371	2,400	335	5,396	249,205	242,833
Miscellaneous			2,948							
Transfers	(500,000)	(768,466)	(904,278)	(1,288,255)				(1,009,671)	(2,249,615)	(1,428,443)
Total business-type activities	(498,840)	(766,635)	(894,516)	(1,240,277)	80,371	2,400	335	(1,004,275)	(2,000,410)	(1,185,610)
Special items					100,000					
Total government-wide	180,174,840	196,366,082	206,795,296	195,692,604	191,655,917	211,649,761	206,707,854	204,090,252	209,375,812	208,750,954
Change in Net Position										
Governmental activities	4,789,733	4,107,978	8,492,364	9,256,489	5,416,433	7,787,050	17,092,416	4,821,900	7,258,139	3,802,007
Business-type activities	321,154	(10,562)	166,953	170,692	(259,032)	(811,204)	2,232,602	755,616	106,432	611,351
Total district	\$ 5,110,887	\$ 4,097,416	\$ 8,659,317	\$ 9,427,181	\$ 5,157,401	\$ 6,975,846	\$ 19,325,018	\$ 5,577,516	\$ 7,364,571	\$ 4,413,358

Source: ACFR Schedules A-2 and District records

GASB 75 was implemented in the 2018 fiscal year, which increased the grants and contributions and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

*Charter school expenditures were included with tuition on ACFR Schedule A-2 in the year ended June 30, 2017.

**The activity of the Facilities Rentals Fund was included with the Community Programs Fund prior to the 2017 fiscal year.

East Brunswick Public Schools
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted for										
Assigned to	\$ 15,583,672	\$ 15,274,268	\$ 18,355,206	\$ 17,391,140	\$ 17,468,674	\$ 14,034,453	\$ 9,864,079	\$ 10,221,864	\$ 8,316,511	\$ 3,351,071
Unassigned	2,337,847	3,516,683	2,765,172	3,013,885	3,434,722	2,422,154	10,910,491	5,981,306	3,989,350	4,318,410
Total general fund	<u>\$ 19,375,116</u>	<u>\$ 20,531,991</u>	<u>\$ 23,427,694</u>	<u>\$ 22,755,937</u>	<u>\$ 23,262,653</u>	<u>\$ 22,729,973</u>	<u>\$ 27,422,146</u>	<u>\$ 18,542,904</u>	<u>\$ 14,194,273</u>	<u>\$ 7,942,644</u>
All Other Governmental Funds										
Restricted for:										
Special revenue fund *						\$ 563,782	\$ 569,607	\$ 557,523	\$ 581,428	\$ 563,997
Capital projects fund	\$ 1,919,155	\$ 1,110,369	\$ 792,329	\$ 7,158,718	\$ 1,335,302	794,087	8,277	8,277	8,277	8,277
Debt service fund	9,663	37,073	89,193	22,122	112,462	112,461	8,729	197,394	188,666	2
Assigned to:										
Special revenue fund	2,920,017	3,313,095	6,326,984	1,070,300	4,811,632	15,616,699	19,341,987	14,198,989	13,815,608	14,057,773
Total all other governmental funds	<u>\$ 4,848,835</u>	<u>\$ 4,460,537</u>	<u>\$ 7,208,506</u>	<u>\$ 8,251,140</u>	<u>\$ 6,259,396</u>	<u>\$ 17,087,029</u>	<u>\$ 19,928,600</u>	<u>\$ 14,962,183</u>	<u>\$ 14,585,702</u>	<u>\$ 14,621,772</u>

Source: ACFR Schedule B-1 and District records.

* The increase is due to the implementation of GASB 84, which required the reporting of student activities in the Special Revenue Fund.

East Brunswick Public Schools
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 127,939,093	\$ 130,177,338	\$ 132,424,676	\$ 134,635,982	\$ 136,503,916	\$ 139,039,043	\$ 142,930,850	\$ 141,889,744	\$ 144,305,364	\$ 149,734,536
Tuition Charges	475,978	868,256	1,042,113	895,102	699,894	1,082,359	679,571	628,586	576,072	863,136
Miscellaneous	843,337	763,753	774,623	1,322,176	1,314,724	1,029,590	6,332,105	3,896,472	4,765,808	3,228,452
State Sources	36,100,049	37,042,942	40,010,830	43,261,558	44,872,508	50,986,422	65,131,952	73,000,914	80,770,233	81,302,177
Federal Sources	3,275,464	3,115,558	3,076,939	3,133,976	3,177,071	4,594,213	4,984,195	8,914,697	8,549,753	3,933,455
Total revenue	168,633,921	171,967,847	177,329,181	183,248,794	186,568,113	196,731,627	220,058,673	228,330,413	238,967,230	239,061,756
Expenditures										
Instruction										
Regular Instruction	43,161,359	43,480,565	44,932,487	44,555,848	46,205,968	47,062,427	50,948,420	52,896,080	53,091,917	50,494,513
Special Education Instruction	14,241,889	13,824,988	13,907,405	14,492,335	15,012,585	14,009,646	14,983,616	16,932,399	18,023,289	18,154,421
Other Instruction	3,579,677	3,935,738	4,020,042	4,105,261	4,194,618	4,436,582	4,717,886	4,455,513	4,788,026	5,002,203
Support Services:										
Tuition	2,423,489	2,627,104	2,532,463	2,936,393	2,747,159	2,334,472	1,779,546	2,121,460	3,779,207	4,279,674
Student and Instruction Related Services	17,647,875	19,461,012	18,483,757	19,086,322	18,257,127	19,009,773	20,323,691	22,955,400	24,665,224	23,296,487
School Administration Services	4,869,160	4,760,481	5,001,742	5,005,151	4,968,962	5,130,684	5,208,377	5,617,796	5,134,224	5,061,999
Business Administration Services	5,717,736	5,860,112	6,071,897	5,975,496	6,315,430	6,276,522	6,435,417	7,040,963	6,991,624	7,091,755
Plant Operations and maintenance	11,541,729	12,138,367	13,167,655	13,840,485	13,739,620	15,144,162	17,307,062	18,243,929	19,486,243	20,158,929
Pupil transportation	7,066,950	8,032,512	8,378,473	9,203,154	8,149,213	7,742,801	9,666,862	13,869,911	14,319,037	14,207,216
Employee Benefits	38,216,421	39,076,214	40,118,595	44,981,048	47,712,010	54,693,024	62,309,564	66,421,697	69,109,920	74,700,980
Special Schools				14,169	9,143	28,517	22,655	7,831	7,959	
Charter Schools	2,253,355	2,354,479	2,610,331	2,701,322	2,728,132	3,220,597	3,908,178	4,398,913	4,978,836	5,891,347
Capital Outlay	15,196,326	10,016,035	7,182,391	12,618,881	20,727,505	9,117,619	3,775,686	28,146,390	9,942,799	6,457,234
Debt Service:										
Principal	8,893,503	9,369,352	10,088,849	10,660,960	9,363,240	14,227,792	12,890,000	12,485,000	15,525,000	15,584,000
Interest and other charges	3,584,654	3,287,554	3,054,263	2,876,687	2,622,429	2,662,603	2,447,969	1,500,797	1,893,652	2,120,000
Costs of issuance				86,896	110,849		94,346			
Total expenditures	178,394,123	178,224,513	179,550,350	193,140,408	202,863,990	205,097,221	216,724,929	257,188,425	251,736,957	252,500,758
Excess (Deficiency) of revenues over (under) expenditures	(9,760,202)	(6,256,666)	(2,221,169)	(9,891,614)	(16,295,877)	(8,365,594)	3,333,744	(28,858,012)	(12,769,727)	(13,439,002)
Other Financing sources (uses)										
Financed purchases	860,000		6,900,000			17,285,000	4,200,000	13,908,336	5,795,000	5,795,000
Lease purchase issuance		6,200,000			14,600,000					
Refunding bonds issued		5,515,000		8,135,000	10,355,000			41,355,000		
Premium on bonds issued				839,236	1,799,553					
Payment to refunding bond escrow agent		(5,472,984)			(12,043,704)			(41,157,266)		
Discount on refunding bonds issued								(103,388)		
Non-Federal Cost Share Reimb. Program proceeds		14,761								
Transfers in	500,000	768,466	1,753,874	1,331,724	70,827	89,635	717,485	1,009,763	2,257,892	1,428,443
Transfers Out			(789,033)	(43,469)	(70,827)	(89,635)	(717,485)	(92)	(8,277)	
Total other financing sources (uses)	1,360,000	7,025,243	7,864,841	10,262,491	14,710,849	17,285,000	4,200,000	15,012,353	8,044,615	7,223,443
Special item:					100,000					
SDA settlement					100,000					
Net change in fund balances	\$ (8,400,202)	\$ 768,577	\$ 5,643,672	\$ 370,877	\$ (1,485,028)	\$ 8,919,406	\$ 7,533,744	\$ (13,845,659)	\$ (4,725,112)	\$ (6,215,559)
Debt service as a percentage of noncapital expenditures	7.65%	7.10%	7.98%	7.50%	5.91%	9.14%	7.21%	7.23%	7.19%	7.20%

Source: ACFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

East Brunswick Public Schools
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Fees	Refunds	Miscellaneous	Annual Totals
2016	\$ 17,394	\$ 475,978	\$ 113,618			\$ 514,754	\$ 1,121,744
2017	18,216	868,256	108,755			471,373	1,466,600
2018	64,177	1,042,113	102,758			393,937	1,602,985
2019	445,048	895,102				587,457	1,927,607
2020	703,437	699,894				344,942	1,748,273
2021	14,184	1,082,359				596,622	1,693,165
2022	11,118	679,571		\$ 169,571	\$ 1,035,096	1,894,846	3,790,202
2023	596,375	628,586		290,607	457,455	1,410,214	3,383,237
2024	1,584,885	576,072		269,143	207,898	1,660,408	4,298,406
2025	1,183,447	863,136		349,105	516,344	162,216	3,074,248

Source: District Records

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment
2016	\$ 13,442,700	\$ 1,489,679,700	\$ 2,568,400	\$ 286,964,750	\$ 83,421,100	\$ 19,733,100
2017	14,646,300	1,492,830,200	2,471,500	286,380,850	84,933,800	19,733,100
2018	14,581,900	1,495,898,800	2,394,300	281,670,250	84,108,700	19,733,100
2019	13,884,700	1,502,220,000	2,394,300	281,921,250	83,170,400	19,723,100
2020	15,528,800	1,508,031,500	2,392,700	275,828,650	78,054,500	19,983,300
2021	13,785,300	1,512,432,400	2,668,500	275,240,350	78,080,000	27,137,600
2022	13,204,000	1,516,410,200	2,668,500	273,851,650	78,098,000	27,137,600
2023	14,591,800	1,520,976,100	2,672,500	273,493,150	78,824,700	27,109,900
2024	13,942,600	1,526,676,600	2,672,500	272,571,850	78,824,700	31,320,300
2025	14,212,300	1,530,290,800	2,550,800	268,085,050	87,748,800	31,417,000

Source: District records, Abstract of Ratables, Table of Aggregates & 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

East Brunswick Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Unaudited

Year Ended December 31,	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Ratio to True Value %	Aggregate True Value
2016	\$ 1,895,809,750	\$ 2,077,187	\$ 1,897,886,937	\$ 6.80	26.22 %	\$ 7,230,395,690
2017	1,900,995,750	2,031,934	1,903,027,684	6.90	25.34	7,501,956,393
2018	1,898,387,050	2,146,634	1,900,533,684	7.03	24.36	7,793,050,287
2019	1,903,313,750	2,227,252	1,905,541,002	7.12	25.03	7,604,130,044
2020	1,899,819,450	2,321,389	1,902,140,839	7.25	24.82	7,652,042,909
2021	1,909,344,150	2,410,316	1,911,754,466	7.21	23.24	8,215,766,566
2022	1,911,369,950	2,188,943	1,913,558,893	7.44	22.16	8,625,315,659
2023	1,917,668,150	2,225,100	1,919,893,250	7.45	20.35	9,423,430,713
2024	1,926,008,550		1,926,008,550	7.63	20.35	9,464,415,479
2025	1,934,304,750		1,934,304,750	7.88	18.83	10,272,462,825

Source: District records, Abstract of Ratables, Table of Aggregates & 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

East Brunswick Public Schools
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Unaudited

Year Ended December 31,	East Brunswick Public Schools			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Obligation Debt Service ^b	General Total Direct	East Brunswick Township	Middlesex County	Municipal Open Space	Middlesex County Open Space	
2016	\$ 6.362	\$ 0.439	\$ 6.801	\$ 2.139	\$ 1.358	\$ 0.020	\$ 0.113	\$ 10.431
2017	6.482	0.418	6.900	2.211	1.406	0.019	0.115	10.651
2018	6.631	0.395	7.026	2.218	1.447	0.019	0.119	10.829
2019	6.746	0.369	7.115	2.300	1.463	0.019	0.123	11.020
2020	6.895	0.351	7.246	2.307	1.437	0.020	0.120	11.130
2021	7.036	0.173	7.209	2.316	1.471	0.020	0.121	11.137
2022	7.138	0.304	7.442	2.342	1.530	0.020	0.129	11.463
2023	7.185	0.268	7.453	2.362	1.532	0.020	0.135	11.502
2024	7.383	0.251	7.634	2.394	1.626	0.020	0.148	11.822
2025	7.630	0.253	7.883	2.429	1.685	0.020	0.160	12.177

Source: District Records and Municipal Tax Collector

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.

East Brunswick Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago

Unaudited

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Brunswick Square Mall	\$ 18,532,600	1	0.96%	\$ 38,106,000	1	2.01%
Mid State Mall	15,699,600	2	0.81%	15,460,000	2	0.81%
Tower II	13,284,000	3	0.69%	14,375,000	3	0.76%
Highview Partners, LLC	12,828,000	4	0.66%			
Tower I	10,205,600	5	0.53%	13,039,400	4	0.69%
Wyndmoor Apartments	9,375,000	6	0.48%	7,769,400	7	0.41%
East Brunswick UE, LLC	8,831,200	7	0.46%			
Summerhill Square LLC	7,377,100	8	0.38%			
JP Taylor, LLC	6,499,700	9	0.34%			
East Coast Cranbury Crossing	6,324,000	10	0.33%	6,000,000	8	0.32%
East Brunswick VF, LLC				9,500,000	5	0.50%
L.P.E. Partners				9,038,400	6	0.48%
Toll JM EB, LLC				5,977,600	9	0.31%
Belmont Associates (K Mart)				5,880,600	10	0.31%
Total	\$ 108,956,800		5.63%	\$ 125,146,400		6.59%

Source: District ACFR & Municipal Tax Assessor

East Brunswick Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Unaudited		Collections in Subsequent Years
		Collected within the Fiscal Year of the Levy		
		Amount	Percentage of Levy	
2016	\$ 127,939,093	\$ 127,939,093	100.00%	
2017	130,177,338	130,177,338	100.00%	
2018	132,424,676	132,424,676	100.00%	
2019	134,635,982	134,635,982	100.00%	
2020	136,503,916	136,503,916	100.00%	
2021	139,039,043	139,039,043	100.00%	
2022	142,930,850	142,930,850	100.00%	
2023	141,889,744	141,889,744	100.00%	
2024	144,305,364	144,305,364	100.00%	
2025	149,734,536	149,734,536	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 the amount certified prior to the end of the school year.

East Brunswick Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Unamortized Premium on Bonds	Financed Purchases Payable			
2016	\$ 79,585,000	\$ 4,813,978	\$ 18,450,268	\$ 102,849,246	*	\$ 2,146
2017	75,780,000	4,536,249	19,235,679	99,551,928	*	2,078
2018	71,660,000	4,258,520	20,166,992	96,085,512	*	2,011
2019	75,715,000	4,785,059	13,586,032	94,086,091	*	1,977
2020	70,140,000	6,193,377	22,917,792	99,251,169	*	2,055
2021	65,400,000	5,746,031	30,360,000	101,506,031	*	2,060
2022	60,620,000	5,298,685	26,060,000	91,978,685	*	1,864
2023	57,190,000	1,981,464	34,585,000	93,756,464	*	1,896
2024	53,060,000	1,811,847	28,520,000	83,391,847	*	1,632
2025	48,940,000	1,642,230	23,091,000	73,673,230	*	*

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

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

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

* District personal income information is not available.

** Information for the noted year not available

East Brunswick Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General ^d Obligation Bonds	Deductions ^c	Net General Bonded Debt Outstanding		
2016	\$ 79,585,000	\$ 9,663	\$ 79,575,337	4.20%	\$ 1,660
2017	75,780,000	37,073	75,742,927	3.98%	1,581
2018	71,660,000	89,193	71,570,807	3.77%	1,498
2019	75,715,000	22,122	75,692,878	3.98%	1,590
2020	70,140,000	112,462	70,027,538	3.69%	1,450
2021	65,400,000	112,461	65,287,539	3.42%	1,325
2022	60,620,000	8,277	60,611,723	3.17%	1,228
2023	57,190,000	197,394	56,992,606	2.97%	1,153
2024	53,060,000	188,666	52,871,334	2.75%	1,035
2025	48,940,000	2	48,939,998	2.53%	*

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

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14.

c Deductions are externally restricted for the payment of principal of the debt.

d Includes the unamortized premiums.

* Information for the noted year not available

East Brunswick Public Schools
 Ratios of Overlapping Governmental Activities Debt
 As of June 30, 2025

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Brunswick Township (as of 12/31/24)	\$ 162,528,250	100.000%	\$ 162,528,250
Other debt			
Middlesex County as of 12/31/24	598,454,466	6.473%	38,737,359
Middlesex County Utility Authority as of 12/31/24	80,969,620	4.226%	<u>3,421,446</u>
Subtotal, overlapping debt			204,687,055
East Brunswick Public Schools Direct Debt			<u>48,939,998</u>
Total direct and overlapping debt			<u><u>\$ 253,627,053</u></u>

Sources: District Records, East Brunswick Township Official Statement

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 East Brunswick. 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.

East Brunswick Public Schools
Legal Debt Margin Information,
Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis

	2025	\$ 10,272,462,825			
	2024	9,464,415,479			
	2023	9,423,430,713			
	[A]	<u>\$ 29,160,309,017</u>			
Average equalized valuation of taxable property	[A/3]	<u>\$ 9,720,103,006</u>			
Debt limit (4 % of average equalization value)		\$ 388,804,120			
Net bonded school debt	[C]	48,939,998			
Legal debt margin	[B-C]	<u>\$ 339,864,122</u>			

	2016	2017	2018	2019	2020
Debt limit	\$ 287,399,422	\$ 291,184,484	\$ 300,338,698	\$ 305,321,823	\$ 307,322,977
Total net debt applicable to limit *	<u>79,575,337</u>	<u>19,235,679</u>	<u>71,570,807</u>	<u>75,692,878</u>	<u>70,027,538</u>
Legal debt margin	<u>\$ 199,013,627</u>	<u>\$ 206,908,828</u>	<u>\$ 220,512,891</u>	<u>\$ 220,847,406</u>	<u>\$ 227,105,582</u>
Total net debt applicable to the limit as a percentage of debt limit	30.75%	28.94%	26.58%	27.67%	26.10%
	2021	2022	2023	2024	2025
Debt limit	\$ 312,959,194	\$ 326,575,002	\$ 350,193,506	\$ 366,842,158	\$ 388,804,120
Total net debt applicable to limit *	<u>65,287,539</u>	<u>60,611,723</u>	<u>56,992,606</u>	<u>52,871,334</u>	<u>48,939,998</u>
Legal debt margin	<u>\$ 237,929,144</u>	<u>\$ 256,668,566</u>	<u>\$ 291,314,926</u>	<u>\$ 312,158,977</u>	<u>\$ 339,864,122</u>
Total net debt applicable to the limit as a percentage of debt limit	23.97%	21.41%	16.81%	14.91%	12.59%

Source: Township Official Statement and District Records ACFR Schedule J-11

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

East Brunswick Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income **	Unemployment Rate
2016	47,933	-	\$ 53,999	3.7%
2017	47,905	-	55,528	3.5%
2018	47,784	-	57,997	3.1%
2019	47,593	-	60,933	2.60%
2020	48,309	-	64,381	7.80%
2021	49,285	-	69,935	5.00%
2022	49,339	-	71,364	2.90%
2023	49,447	-	75,352	3.40%
2024	51,086	-	*	4.00%
2025	*	-	*	*

Source: NJ Department of Labor and Workforce Development

* Information for the noted years was not available.

** Prior year estimates revised.

Note: Per capita personal income is disclosed at the county level. Personal income and per capita personal income information was not available at the district level.

East Brunswick Public Schools
Principal Employers
Current Year and Nine Years Ago

Unaudited

Employer	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Robert Wood Johnson University Hospital	5,000 - 5,249	1	0.00%	5,000 - 5,249	1	0.00%
Novo Nordisk	4,500 - 4,579	2	0.00%	4,500 - 4,579	2	0.00%
Wakefern Food Corporation	3,500 - 3,749	3	0.00%	3,500 - 3,749	3	0.00%
J.F.K. Medical Center	3,000 - 3,369	4	0.00%	3,000 - 3,369	4	0.00%
Bristol-Myers Squibb	3,000 - 3,249	5	0.00%	3,000 - 3,249	5	0.00%
St. Peter's Healthcare System	2,750 - 2,999	6	0.00%	2,750 - 2,999	6	0.00%
Silverline Building Products	2,250 - 2,299	7	0.00%	2,250 - 2,299	7	0.00%
Johnson & Johnson	2,000 - 2,249	8	0.00%	2,000 - 2,249	8	0.00%
Raritan Bay Medical Center	2,000 - 2,249	9	0.00%	2,000 - 2,249	9	0.00%
Home Depot / United Parcel Service	1,750 - 1,999	10	0.00%	1,750 - 1,999	10	0.00%

Source: Middlesex County Department of Economic Development

* Note: Top ten employers by number of employees was not available at the municipal level, therefore we have presented the current year information at the county level. We have also presented the number of employees as a range, as an exact number of employees was unavailable.

East Brunswick Public Schools
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Unaudited

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	516.2	605.8	562.5	571.5	565.3	561.1	564.1	573.6	564.6	544.6
Special education	238.5	268.3	257.1	254.0	268.7	264.0	270.5	270.5	268.5	266.5
Support Services:										
Student & instruction related services	206.7	214.3	235.0	242.4	246.5	225.9	233.4	243.4	243.4	227.4
General administrative services	7.9	7.9	9.0	9.0	8.5	6.5	6.5	7.5	7.5	5.5
School administrative services	60.6	56.4	57.2	57.2	55.7	53.8	53.8	56.1	56.1	56.1
Business administrative services	23.9	25.7	25.7	25.7	24.1	26.0	27.0	27.0	27.0	27.0
Information Technology	19.0	20.0	21.0	22.0	22.0	22.0	23.0	24.0	24.0	21.0
Plant operations and maintenance	157.8	144.5	121.0	129.8	130.1	151.1	147.1	162.0	161.0	153.5
Pupil transportation	37.3	39.5	45.1	45.0	46.3	43.9	43.9	43.9	48.9	48.9
Food Service	40.1	34.3	37.9	33.1	32.9	34.3	31.7	35.1	38.0	37.1
Adult and Community Programs	6.2	6.4	6.7	6.4	6.6	6.4	6.4	6.4	6.4	6.3
JMPAC	-	0.9	0.9	0.1	1.1	1.1	1.1	1.1	1.1	1.1
Total	1,314.2	1,424.0	1,379.0	1,396.1	1,407.7	1,396.1	1,408.3	1,450.4	1,446.4	1,394.8

Source: District Personnel Records

East Brunswick Public Schools
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	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	Upper Elementary School	Junior High School	High School				
2016	8,259	\$ 150,719,640	\$ 18,249	6.33%	717	10.4	10.0	11.0	12.0	8,107.92	7,769.14	-1.86%	95.82%
2017	8,089	155,551,572	19,230	5.37%	722	10.4	10.0	11.0	12.0	7,993.63	7,647.36	-1.41%	95.67%
2018	8,167	159,224,847	19,497	1.39%	723	10.1	11.0	11.0	12.0	8,048.68	7,654.10	0.69%	95.10%
2019	8,381	166,896,984	19,914	2.14%	724	10.6	10.0	11.0	12.0	8,301.65	7,900.57	3.14%	95.17%
2020	8,403	170,039,967	20,237	1.62%	735	10.5	12.0	11.0	12.0	8,217.80	7,958.95	-1.01%	96.85%
2021	8,279	179,089,207	21,632	6.89%	720	10.3	12.0	11.0	12.0	8,063.70	7,835.65	-1.88%	97.17%
2022	8,346	197,611,274	23,677	9.46%	725	10.5	12.0	12.0	14.0	8,092.62	7,691.87	0.36%	95.05%
2023	8,391	214,961,892	25,618	8.20%	751	10.0	12.0	12.0	14.0	8,162.34	7,686.28	0.86%	94.17%
2024	8,423	224,375,506	26,638	3.98%	761	9.4	11.0	13.0	13.0	8,165.06	7,727.39	0.03%	94.64%
2025	8,461	228,339,156	26,987	1.31%	730	9.1	10.0	12.0	13.0	8,137.03	7,677.25	-0.34%	94.35%

Sources: District records, ASSA, NJ School Report Card, NJ School Performance Report

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note 2: The enrollment column represents the resident enrollment which includes out of district students and charter school students.

East Brunswick Public Schools
School Building Information
Last Ten Fiscal Years

Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023*	2024	2025
District Building										
Elementary										
Bowne-Munro (1952)										
Square Feet	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738	32,738
Capacity (students)	270	270	270	270	270	270	270	196	196	196
Enrollment	205	209	224	219	250	240	246	175	186	201
Central (1949)										
Square Feet	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283	78,283
Capacity (students)	532	532	532	532	532	532	532	504	504	504
Enrollment	418	416	399	414	433	429	395	354	353	349
Chittick (1969)										
Square Feet	52,241	52,241	53,058	53,058	53,058	53,058	53,058	53,058	53,058	53,058
Capacity (students)	550	550	550	550	550	550	550	460	460	460
Enrollment	397	414	437	500	509	471	490	394	353	338
Frost (1965)										
Square Feet	52,230	52,230	52,545	52,545	52,545	52,545	52,545	52,545	52,545	52,545
Capacity (students)	455	455	455	455	455	455	455	370	370	370
Enrollment	442	444	463	472	450	448	457	375	393	383
Irwin (1957)										
Square Feet	43,279	43,279	43,986	43,986	43,986	43,986	43,986	43,986	43,986	43,986
Capacity (students)	478	478	478	478	478	478	478	365	365	365
Enrollment	464	440	449	473	429	380	362	323	311	305
Lawrence Brook (1959)										
Square Feet	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218	77,218
Capacity (students)	520	520	520	520	520	520	520	476	476	476
Enrollment	406	446	439	451	422	432	463	357	364	362
Memorial (2012)										
Square Feet	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821	82,821
Capacity (students)	565	565	565	565	565	565	565	631	631	631
Enrollment	494	493	537	570	541	529	543	425	409	408
Warnsdorfer (1968)										
Square Feet	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708	55,708
Capacity (students)	488	488	488	488	488	488	488	381	381	381
Enrollment	472	462	461	449	478	446	452	361	336	325
Total Elementary Schools										
Square Feet	474,518	474,518	476,357	476,357	476,357	476,357	476,357	476,357	476,357	476,357
Capacity (students)	3,858	3,858	3,858	3,858	3,858	3,858	3,858	3,383	3,383	3,383
Enrollment	3,298	3,324	3,409	3,548	3,512	3,375	3,408	2,764	2,705	2,671

East Brunswick Public Schools
School Building Information (continued)
Last Ten Fiscal Years

Unaudited

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023*</u>	<u>2024</u>	<u>2025</u>
<u>Upper Elementary School</u>										
Hammar skjold (2009)										
Square Feet	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520	271,520
Capacity (students)	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518	1,518
Enrollment	1,294	1,212	1,197	1,280	1,343	1,297	1,273	1,315	1,312	1,221
<u>Junior High School</u>										
Churchill Jr. High (1962)										
Square Feet	260,332	260,332	260,332	260,332	260,332	260,332	260,332	288,187	288,187	288,187
Capacity (students)	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432	1,432
Enrollment	1,374	1,336	1,320	1,273	1,269	1,329	1,367	1,993	2,006	2,077
<u>High School</u>										
East Brunswick High (1958)										
Square Feet	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422	360,422
Capacity (students)	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724
Enrollment	2,101	2,055	2,052	2,082	2,066	2,023	2,010	2,031	2,097	2,128
<u>Other</u>										
Administration Building										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Support Operations										
Square Feet	-	29,614	29,614	29,614	29,614	29,614	29,614	29,614	29,614	29,614

Number of Schools at June 30, 2025

- Elementary = 8
- Upper Elementary = 1
- Junior High School = 1
- High School = 1
- Other = 2

Source: District records, ASSA, LRFPP

* - Variances from the prior year are the result of a district wide grade reconfiguration as well as the addition of Temporary Classroom Units at

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

Note 2: The enrollments represent the on roll enrollment at each District school for in district students and does not include out of district or charter school students.

East Brunswick Public Schools
Schedule of Required Maintenance
Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
East Brunswick High School	\$ 661,735	\$ 684,564	\$ 693,497	\$ 711,188	\$ 700,862	\$ 560,420	\$ 541,155	\$ 423,026	\$ 368,229	\$ 459,471
Churchill Junior High School	486,058	524,288	517,657	485,854	385,500	416,052	342,511	281,798	268,147	329,563
Hammarskjold School	505,969	492,578	497,290	494,216	446,323	383,963	359,302	293,000	277,384	348,852
Bowne-Munro School	52,880	68,514	68,288	60,270	55,495	49,128	49,203	40,076	33,445	41,444
Central School	135,199	148,748	162,282	149,774	130,713	121,223	110,613	88,024	81,914	100,193
Inwin School	118,317	92,425	89,242	90,936	74,517	68,511	69,173	58,937	46,594	54,788
Lawrence Brook School	123,424	154,126	151,956	149,800	158,489	129,693	123,090	91,806	78,886	97,753
Memorial School	145,895	174,270	157,661	152,844	137,337	115,232	111,569	86,970	84,610	105,652
Chittick School	118,957	113,150	107,767	93,659	88,259	85,357	89,491	76,794	53,369	66,134
Frost School	90,362	106,101	107,836	90,555	75,849	113,646	67,116	56,698	53,358	66,120
Warnsdorfer School	83,843	118,453	99,244	98,812	87,330	112,729	75,125	61,597	57,086	70,523
Total School Facilities	2,522,639	2,677,217	2,652,720	2,577,908	2,340,674	2,155,954	1,938,348	1,558,726	1,403,022	1,740,493
Other Facilities										
Administration	39,710	44,762	45,825	42,676	37,857	37,398	31,291	25,050	30,647	37,976
Support Operations	39,199	44,186	45,235	42,126	37,370	36,917	30,890	24,726	30,254	-
Total Other Facilities	78,909	88,948	91,060	84,802	75,227	74,315	62,181	49,776	60,901	37,976
Grand Total	\$ 2,601,548	\$ 2,766,165	\$ 2,743,780	\$ 2,662,710	\$ 2,415,901	\$ 2,230,269	\$ 2,000,529	\$ 1,608,502	\$ 1,463,923	\$ 1,778,469

Source: M1

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2025

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>MULTI-PERIL PACKAGE POLICY</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P-135AP ANNUAL PREMIUM: \$1,147,072		
<u>Section II - Commercial General Liability</u>		
Bodily Injury, Property Damage and Personal Injury	\$ 31,000,000	
Medical Expense	10,000	
Aggregate Child Molestation/Sexual Abuse	31,000,000	
Employee Benefits Legal Liability	31,000,000	
<u>Section III - Crime</u>		
Money and Securities	50,000	\$ 500
Employee Dishonesty	1,000,000	1,000
Depositors Forgery	1,000,000	1,000
Computer Fraud	1,000,000	1,000
<u>SCHOOL BOARD LEGAL</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. E-135AP ANNUAL PREMIUM: \$273,565		
Wrongful Acts Liability - Each Occurrence	31,000,000	15,000
Annual Aggregate	31,000,000	
<u>CATASTROPHIC POLICY</u>		
FIREMAN'S FUND POLICY NO. USC03977242 ANNUAL PREMIUM: \$98,445		
Limit of Insurance (Group Aggregate)	25,000,000	
<u>PROPERTY INSURANCE</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG POLICY NO. P135AP ANNUAL PREMIUM: Included		
Blanket Building - Contents Coverage	559,915,180	10,000
Extra Expense	50,000,000	10,000
Flood & Earthquake	75,000,000	10,000
EDP	2,100,000	1,000
Energy Systems - Property Damage	559,915,180	25,000
Energy Systems - Extra Expense	10,000,000	10,000

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2025

Unaudited

	Coverage	Deductible
<u>AUTOMOBILE POLICY AND GARAGE KEEPERS</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		
Bodily Injury and Property Damage	\$ 31,000,000	
Uninsured Motorist Coverage	1,000,000	
Comprehensive	Replacement	\$ 1,000
Collision	Replacement	1,000
Beazley Environmental POLICY NO. W1BE82240901 ANNUAL PREMIUM: \$28,801		
Legal Liability	1,000,000 each loss 3,000,000 aggregate	10,000
<u>WORKERS COMPENSATION</u>		
EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSBAIG POLICY NO. W-135AP PREMIUM: \$589,600		
A. Worker's Compensation Insurance Under New Jersey State Laws		
B. Employer's Liability		
Bodily Injury - Each Accident	3,000,000	
Bodily Injury By Disease - Each Employee	3,000,000	
CHUBB INSURANCE POLICY NO. 64775774 ANNUAL PREMIUM: \$48,169		
Supplemental Coverage:		
Reimbursement of Salary - Max Weekly Benefit		1,750
<u>PRIMARY UMBRELLA</u>		
INCLUDED IN MULTI-PERIL PACKAGE POLICY BY EDUCATIONAL RISK AND INSURANCE CONSORTIUM / NJSIG		

East Brunswick Public Schools
Insurance Schedule
Year Ended June 30, 2025

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<u>STUDENT ACCIDENT INSURANCE</u>		
BOLLINGER		
POLICY NO. MCB5859349		
ANNUAL PREMIUM: \$73,965	\$ 6,000,000	
Supplemental to primary family policy - full excess		
 <u>BONDS</u>		
SELECTIVE INSURANCE		
POLICY NO. B1005007		
ANNUAL PREMIUM: \$2,100		
Bernardo J. Giuliani, Business Administrator / Board Secretary	750,000	

Source: District Records

Single Audit Section

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

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

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

Report on Internal Control Over Financial Reporting

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

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

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools**

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

**Report on Compliance for Each Major
Federal and State Program and
on Internal Control Over Compliance Required by
the Uniform Guidance and New Jersey OMB 15-08**

Independent Auditors' Report

**Honorable President and Members
of the Board of Education
East Brunswick Public Schools
East Brunswick, New Jersey**

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited East Brunswick Public School's, in the County of Middlesex, New Jersey (the "District") 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 District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the audit requirements of *Title 2 U.S. Code of Federal Regulations, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

**Honorable President and Members
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East Brunswick Public Schools**

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and New Jersey 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. Non-compliance 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 GAAS, *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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
January 15, 2026

Scott A. Clelland

Scott A. Clelland, CPA
Licensed Public School Accountant, No. 1049

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal Award Identification Number	Program or Award Amount	Grant Period		Balance June 30, 2024			Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2025			
				From	To	(Accounts Receivable)	Unearned Revenue	Carryover Amount				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Amounts Provided to Subrecipients
General Fund:															
U.S. Department of Health and Human Services															
-Passed-Through State Department of Health and Human Services															
Medicaid Cluster:															
Medical Assistance Aid (SEMI)	93.778	2005NJ5MAP	\$ 35,723	7/1/2024	6/30/2025				\$ 35,723	\$ (35,723)					
Medicaid Administrative Claiming (MAC)	93.778	2005NJ5MAP	27,779	7/1/2024	6/30/2025				27,779	(27,779)					
Medicaid Administrative Claiming (MAC)	93.778	2005NJ5MAP	22,584	7/1/2023	6/30/2024	\$ (22,584)			22,584						
Total Medicaid Cluster						(22,584)			86,086	(63,502)					
Total U.S. Department of Health and Human Services - Passed-Through State Department of Human Services						(22,584)			86,086	(63,502)					
Total General Fund						(22,584)			86,086	(63,502)					
Special Revenue Fund:															
U.S. Department of Education--Passed-Through State Department of Education															
Elementary and Secondary Education Act (ESEA):															
Title I, Part A - 24/25	84.010A	S010A240030	1,179,524	7/1/2024	9/30/2025				620,146	(802,889)		\$ (182,743)			
Title I, Part A - 23/24	84.010A	S010A230030	424,834	7/1/2023	9/30/2024	\$ (125,503)			125,503						
Total Title I, Part A						(125,503)			745,649	(802,889)			(182,743)		
Title II, Part A - 24/25	84.367A	S367A240029	162,208	7/1/2024	9/30/2025				69,576	(93,168)	\$ 368		(23,224)		
Title II, Part A - 23/24	84.367A	S367A230029	185,403	7/1/2023	9/30/2024	(162,502)			162,502						
Total Title II, Part A						(162,502)			232,078	(93,168)	368		(23,224)		
Title III - 24/25	84.365A	S365A240030	68,347	7/1/2024	9/30/2025				27,475	(41,847)			(14,372)		
Title III - 23/24	84.365A	S365A230030	71,761	7/1/2023	9/30/2024	(7,359)			7,359						
Total Title III						(7,359)			34,834	(41,847)			(14,372)		
Title III Immigrant - 24/25	84.365	S365A240030	15,733	7/1/2024	9/30/2025				11,595	(12,289)			(694)		
Title IV, Part A - 24/25	84.424	S424A240031	59,348	7/1/2024	9/30/2025				50,553	(55,014)			(4,461)		
Title IV, Part A - 23/24	84.424	S424A230031	71,289	7/1/2023	9/30/2024	(28,549)			28,549						
Total Title IV, Part A						(28,549)			79,102	(55,014)			(4,461)		
Special Education Grant Cluster:															
IDEA Part B, Basic Regular 24/25	84.027A	H027A240100	2,210,238	7/1/2024	9/30/2025				1,686,267	(2,205,573)			(519,306)		
IDEA Part B, Basic Regular 23/24	84.027A	H027A230100	2,273,392	7/1/2023	9/30/2024	(554,232)			554,232						
IDEA Preschool - 24/25	84.173	H173A240114	73,757	7/1/2024	9/30/2025				43,318	(73,757)			(30,439)		
IDEA Preschool - 23/24	84.173	H173A230114	77,316	7/1/2023	9/30/2024	(32,698)			32,698						
Total of Special Education Grant Cluster						(586,930)			2,316,515	(2,279,330)			(549,745)		
Adult Basic Education															
Adult Basic Education	84.002A	V002A240031	396,159	7/1/2024	9/30/2025				12,797	(339,876)			(327,079)		
Adult Basic Education	84.002A	V002A230031	351,943	7/1/2023	9/30/2024	(161,417)			161,417						
Total Adult Basic Education						(161,417)			174,214	(339,876)			(327,079)		
Education Stabilization Fund (ESF):															
COVID-19 ARP ESSER III	84.425U	S425U200027	4,884,407	3/13/2020	9/30/2024	(1,232,930)			1,232,930						
COVID-19 ARP Learning Acceleration	84.425U	S425U200027	713,380	3/13/2020	9/30/2024	(113,408)			119,816	(6,408)					
COVID-19 ARP Summer Learning	84.425U	S425U200027	48,637	3/13/2020	9/30/2024				4,683	(4,683)					
COVID-19 ARP Beyond the School Day	84.425U	S425U200027	48,637	3/13/2020	9/30/2024	(13,622)			13,622						
COVID-19 ARP Mental Health	84.425U	S425U200027	45,000	3/13/2020	9/30/2024	(27,279)			27,279						
COVID-19 ARP Homeless II	84.425W	S425W210031	24,446	9/1/2021	8/31/2023	(7,514)			7,514						
Total Education Stabilization Fund (ESF)						(1,394,753)			1,405,844	(11,091)					
Total U.S. Department of Education - Passed-Through State Department of Education						(2,467,013)			4,988,236	(3,635,504)	368		(1,102,318)		
U.S. Department of the Treasury--Passed-Through State Department of Education															
State and Local Fiscal Recovery Funds:															
COVID-19 Additional or Compensatory Special Education and Related Services (ACSER)	21.027	SLFRFDOE1SES	1,553,697	3/3/2021	12/31/2024	(781,810)			781,810						
COVID-19 High Impact Tutoring Competitive	21.027	C2221SLFRF21	460,000	10/11/2023	6/30/2025	(279,013)			380,530	(125,975)			(24,458)		
Total U.S. Department of Treasury - Passed-Through State Department of Education						(1,060,823)			1,162,340	(125,975)			(24,458)		
Total Special Revenue Fund						(3,527,836)			6,150,576	(3,761,479)	368		(1,126,776)		

East Brunswick Public Schools

Schedule of Expenditures of Federal Awards

Year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal Award Identification Number	Program or Award Amount	Grant Period		Balance June 30, 2024		Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2025		
				From	To	(Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture—Passed-Through State														
Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	241NJ304N1099	\$ 1,250,898	7/1/2024	6/30/2025				\$ 1,153,670	\$ (1,250,898)		\$ (97,228)		
National School Lunch Program	10.555	231NJ304N1099	1,014,205	7/1/2023	6/30/2024	\$ (46,667)			46,667					
School Breakfast Program	10.553	241NJ304N1099	187,675	7/1/2024	6/30/2025				170,071	(187,675)		(17,604)		
School Breakfast Program	10.553	231NJ304N1099	137,950	7/1/2023	6/30/2024	(9,299)			9,299					
Food Donation Program (NC)	10.555	241NJ304N1099	325,643	7/1/2023	6/30/2024				325,643	(325,643)				
Total Child Nutrition Cluster						(55,966)			1,705,350	(1,764,216)		(114,832)		
Summer-EBT Administrative Cost Reimbursement	10.646	202525N180341	1,052	7/1/2024	6/30/2025					(1,502)		(1,502)		
Summer-EBT Administrative Cost Reimbursement	10.646	202424N180341	1,556	7/1/2023	6/30/2024	(1,556)			1,556					
Total Enterprise Fund and Total U.S. Department of Agriculture—Passed-Through State Department of Agriculture						(57,522)			1,706,906	(1,765,718)		(116,334)		
Total Federal Awards Expenditures						\$ (3,607,942)	\$ -	\$ -	\$ 7,943,568	\$ (5,590,699)	\$ 368	\$ (1,243,110)	\$ -	\$ -

NC - non-cash expenditures

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2024			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2025			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
<i>General Fund:</i>															
Equalization Aid	25-495-034-5120-078	7/1/2024	6/30/2025	\$ 26,485,811				\$ 23,875,717	\$ (26,485,811)					\$ (2,610,094)	\$ (26,485,811)
Equalization Aid	24-495-034-5120-078	7/1/2023	6/30/2024	27,806,176		\$ (2,736,804)		2,736,804							
Special Education Categorical Aid	25-495-034-5120-089	7/1/2024	6/30/2025	9,239,567				8,329,037	(9,239,567)					(910,530)	(9,239,567)
Special Education Categorical Aid	24-495-034-5120-089	7/1/2023	6/30/2024	9,239,567		(909,398)		909,398							
Transportation Aid	25-495-034-5120-014	7/1/2024	6/30/2025	1,555,315				1,402,044	(1,555,315)					(153,271)	(1,555,315)
Transportation Aid	24-495-034-5120-014	7/1/2023	6/30/2024	1,555,315		(153,081)		153,081							
Security Aid	25-495-034-5120-084	7/1/2024	6/30/2025	1,225,192				1,104,453	(1,225,192)					(120,739)	(1,225,192)
Security Aid	24-495-034-5120-084	7/1/2023	6/30/2024	1,225,192		(120,589)		120,589							
Stabilization Aid	25-495-034-5120-078	7/1/2024	6/30/2025	594,164				594,164	(594,164)						(594,164)
Nonpublic School Transportation Aid	25-495-034-5120-014	7/1/2024	6/30/2025	147,745					(147,745)			\$ (147,745)			(147,745)
Nonpublic School Transportation Aid	24-495-034-5120-014	7/1/2023	6/30/2024	117,390		(117,390)		117,390							
Extraordinary Aid	25-495-034-5120-044	7/1/2024	6/30/2025	2,508,829					(2,508,829)			(2,508,829)			(2,508,829)
Extraordinary Aid	24-495-034-5120-044	7/1/2023	6/30/2024	2,740,703		(2,740,703)		2,740,703							
Payment for Institutionalized Children-Unknown District of Residenc	25-495-034-5120-005	7/1/2024	6/30/2025	169,074				169,074	(169,074)						(169,074)
On-Behalf TPAF - Pension Contribution	25-495-034-5094-002	7/1/2024	6/30/2025	25,855,008				25,855,008	(25,855,008)						(25,855,008)
On-Behalf TPAF - Post-Retirement Medical	25-495-034-5094-001	7/1/2024	6/30/2025	7,554,854				7,554,854	(7,554,854)						(7,554,854)
On-Behalf TPAF - Long-Term Disability Insurance	25-495-034-5094-004	7/1/2024	6/30/2025	13,089				13,089	(13,089)						(13,089)
TPAF Social Security Reimbursements	25-495-034-5094-003	7/1/2024	6/30/2025	5,392,784				5,128,145	(5,392,784)			(264,639)			(5,392,784)
TPAF Social Security Reimbursements	24-495-034-5094-003	7/1/2023	6/30/2024	5,441,948		(531,742)		531,742							
Total General Fund						<u>(7,309,707)</u>		<u>81,335,292</u>	<u>(80,741,432)</u>			<u>(2,921,213)</u>		<u>(3,794,634)</u>	<u>(80,741,432)</u>
State Department of Education															
<i>Special Revenue Fund:</i>															
N.J. Nonpublic Aid:															
Auxiliary Services:															
English as a Second Language	24-100-034-5120-067	7/1/2024	6/30/2025	883				883						\$ 883	
Compensatory Education	25-100-034-5120-067	7/1/2024	6/30/2025	133,253				133,253	(131,519)					1,734	(131,519)
Compensatory Education	24-100-034-5120-067	7/1/2023	6/30/2024	137,559			\$ 14,965			\$ (14,965)					
Transportation	24-100-034-5120-068	7/1/2023	6/30/2024	14,678			14,678			(14,678)					
Handicapped Services															
Supplemental Instruction	25-100-034-5120-066	7/1/2024	6/30/2025	32,626				32,626	(32,626)						(32,626)
Examination and Classification	25-100-034-5120-066	7/1/2024	6/30/2025	39,063				39,063	(33,379)					5,684	(33,379)
Examination and Classification	24-100-034-5120-066	7/1/2023	6/30/2024	44,168			1,706			(1,706)					
Corrective Speech	25-100-034-5120-066	7/1/2024	6/30/2025	23,250				23,250	(19,530)					3,720	(19,530)
Textbook Aid	25-100-034-5120-064	7/1/2024	6/30/2025	26,542				26,542	(26,345)					197	(26,345)
Textbook Aid	24-100-034-5120-064	7/1/2023	6/30/2024	29,194			519			(519)					
Nursing Services	25-100-034-5120-070	7/1/2024	6/30/2025	65,130				65,130	(54,575)					10,555	(54,575)
Nursing Services	24-100-034-5120-070	7/1/2023	6/30/2024	56,880			4,761			(4,761)					
Technology Services	25-100-034-5120-373	7/1/2024	6/30/2025	25,186				25,186	(25,134)					52	(25,134)
Technology Services	24-100-034-5120-373	7/1/2023	6/30/2024	24,647			1,733			(1,733)					
Security	25-100-034-5120-509	7/1/2024	6/30/2025	101,680				101,680	(101,623)					57	(101,623)
Security	24-100-034-5120-509	7/1/2023	6/30/2024	96,760			14,896			(14,896)					
Nonpublic Teach STEM Grant	Not available	7/1/2024	6/30/2025	12,924				4,165	(10,777)			(6,612)			(10,777)
Nonpublic Teach STEM Grant	Not available	7/1/2023	6/30/2024	18,702		(7,948)		7,948							
Total Special Revenue Fund						<u>(7,948)</u>		<u>459,726</u>	<u>(435,508)</u>			<u>(53,258)</u>		<u>22,882</u>	<u>(435,508)</u>

East Brunswick Public Schools

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period		Award Amount	Balance June 30, 2024			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2025			Memo	
		From	To		Unearned Revenue	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
<i>Enterprise Fund:</i>															
State School Lunch Program	25-100-010-3350-023	7/1/2024	6/30/2025	\$ 95,952			\$ 88,363	\$ (95,952)			\$ (7,589)			\$ (95,952)	
State School Lunch Program	24-100-010-3350-023	7/1/2023	6/30/2024	81,641	\$ (3,645)		3,645								
State School Breakfast Program	25-100-010-3350-023	7/1/2024	6/30/2025	9,353			8,347	(9,353)			(1,006)			(9,353)	
State School Breakfast Program	24-100-010-3350-023	7/1/2023	6/30/2024	7,048		(430)	430								
Summer-EBT Administrative Cost Reimbursement	N/A	7/1/2024	6/30/2025	1,051				(1,501)			(1,501)			(1,501)	
Summer-EBT Administrative Cost Reimbursement	N/A	7/1/2023	6/30/2024	1,556		(1,556)	1,556								
Total Enterprise Fund						(5,631)	102,341	(106,806)			(10,096)			(106,806)	
Total Expenditures of State Financial Assistance					\$ -	\$ (7,323,286)	\$ 53,258	\$ 81,897,359	\$ (81,283,746)	\$ (53,258)	\$ -	\$ (2,937,921)	\$ 22,882	\$ (3,794,634)	\$ (81,283,746)
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF - Pension Contribution	25-495-034-5094-002	7/1/2024	6/30/2025	25,855,008			\$ 25,855,008	\$ (25,855,008)						\$ (25,855,008)	
On-Behalf TPAF - Post-Retirement Medical	25-495-034-5094-001	7/1/2024	6/30/2025	7,554,854			7,554,854	(7,554,854)						(7,554,854)	
On-Behalf TPAF - Long-Term Disability Insurance	25-495-034-5094-004	7/1/2024	6/30/2025	13,089			13,089	(13,089)						(13,089)	
Total State Financial Assistance Subject to Single Audit Determination					\$ -	\$ (7,323,286)	\$ 53,258	\$ 48,474,408	\$ (47,860,795)	\$ (53,258)	\$ -	\$ (2,937,921)	\$ 22,882	\$ (3,794,634)	\$ (47,860,795)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

East Brunswick Public Schools

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2025

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2025. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

3. Relationship to Basic Financial Statements

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

East Brunswick Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2025

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$125,237 for the general fund and \$109,172 for the special revenue fund. See the Note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general fund and special revenue fund.

As a result, the federal account receivable balance in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

<u>Accounts Receivable</u>	<u>Budgetary Basis</u>	<u>Less: CY Encumbrances</u>	<u>GAAP Basis</u>
Federal	\$ 1,126,776	\$ 4,475	\$ 1,122,301

Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 63,502	\$ 80,866,669	\$ 80,930,171
Special Revenue Fund	3,869,953	435,508	4,305,461
Enterprise Fund – Food Service	1,765,718	106,806	1,872,524
Total financial award revenues	<u>\$ 5,699,173</u>	<u>\$ 81,408,983</u>	<u>\$ 87,108,156</u>

East Brunswick Public Schools

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2025

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amounts reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2025.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2025 amounted to \$33,422,951. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District charged indirect costs of \$150,158 to the Food Service Enterprise Fund. The District did not elect to use the 10% de minimis indirect cost rate as permitted by the Uniform Guidance.

East Brunswick Public Schools
Schedule of Findings and Questioned Costs

Year ended June 30, 2025

Part I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> _____	None Reported

Type of auditors' report issued on compliance for major federal programs:

	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ <u>X</u> _____	No

Identification of major federal programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster:
10.555	241NJ304N1099	Child Nutrition Program Cluster:
10.553	241NJ304N1099	National School Lunch Program School Breakfast Program
84.010A	S010A240030	Elementary and Secondary Education Act: Title I, Part A

East Brunswick Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2025

Part I - Summary of Auditors' Results

Dollar threshold used to distinguish between Type A and Type B programs:

_____ \$750,000 _____

Auditee qualified as low-risk auditee?

 X

Yes

No

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2025

Part II - Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

East Brunswick Public Schools

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2025

**Part III - Schedule of Federal Award and State Financial
Assistance Findings and Questioned Costs**

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) or New Jersey State OMB Circular 15-08.