

EATONTOWN PUBLIC SCHOOL DISTRICT

Eatontown, New Jersey
County of Monmouth

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
EATONTOWN PUBLIC SCHOOL DISTRICT
EATONTOWN, NEW JERSEY**



YEAR ENDED JUNE 30, 2025

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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January 15, 2026

Honorable President and Members of the Board of Education
Eatontown Public School District
County of Monmouth
Eatontown, NJ 07724

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the Eatontown Public School District (District) for the fiscal year ended June 30, 2025. This ACFR includes the district's basic financial statements prepared in accordance with generally accepted accounting principles for local governments. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information on June 30, 2025, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities, including the Management's Discussion Analysis, have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a Letter of Transmittal, Roster of Officials, List of Consultants, Independent Auditors and Advisors, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis.
- The Single Audit Section – The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this Single Audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts, and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Eatontown Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Eatontown Board of Education and its four schools constitute the district's reporting entity.

The district continues to maintain a high quality of education which consists of a PK-8 district in New Jersey. The district provides a full range of programs and services appropriate to grades Pre-K through 8. These include regular education programs for the very able students (Gifted and Talented), as well as those for students with disabilities both in and out-of-district. Three elementary schools and one middle school comprise the district's instructional facilities.

Supervising district-wide goals is a district superintendent, a school business administrator/board secretary, a director of elementary and secondary education, and a supervisor of special services. Each of the three elementary schools has its own principal. The Memorial Middle School has its own principal as well.

The Board of Education, composed of nine members, each elected to three-year terms, meets on the second and fourth Monday of each month for regular meetings. Committee meetings take place one to two other times per month. During the meetings and committee meetings the board members determine district goals, priorities, set policy, and conduct other business. Board meetings are open to the public and begin at 7:00 PM.

The district PTA is highly active in the schools and provides community support for a variety of programs and activities for the children. The PTA helps to provide the financial resources needed to support various educational programs for schools and students.

To maintain effective communications, the district uses several options to ensure a consistent flow of information to our stakeholders. Communication tools utilized by the district include a district website that is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, and more. The district also communicates with parents via Thrillshare, a system that provides both phone and text message contact options. The ability to contact the entire parent population within 15 minutes about changes in the school day, i.e., early closure, or to be able to update them in an emergency situation, is a vital component in ensuring that our communication efforts are timely, accurate, and effective. The district also utilizes Thrillshare for communications between home and school for non-emergency notifications such as grades, attendance records, and events within the schools. School emails can be translated into a family's native language.

EDUCATIONAL PROGRAM

VISION

To develop a community of lifelong learners where children have healthy self-esteem, respect, and compassion for others, essential and technological knowledge, and the creative problem-solving skills needed to meet the challenge of successful citizenship in an ever-changing, multi-cultural, global society.

MISSION

To set high academic and social expectations for its students. By providing our students with appropriate staffing, resources, and funding, they will be able to reach these expectations and achieve the New Jersey Student Learning Standards.

CORE VALUES

Eatontown Public Schools are committed to successful learning for ALL students. To achieve this, the schools employ the following core values:

- Align classroom instruction with student expectations. Specifically using the "Understanding by Design" model with formative and summative assessments.
- Provide differentiated instruction to address individual student needs.
- Enhance learning opportunities through strong programs.

Each district school follows these district-wide goals and educational approaches to the teaching of children while maintaining a unique personality based upon the age of the students.

Elementary School: Grades K through 6

Currently, there are three elementary schools (Meadowbrook School, Woodmere Elementary, Margaret L. Vetter Elementary) housing students in grades Pre-K through 5 and providing a comprehensive educational program.

Meadowbrook School – a Pre-K and K-1 school of 207 students. There is one administrator and a staff of 41 teachers, instructional assistants, and school aides. The school is located on Wyckoff Road in Eatontown.

Woodmere Elementary School – a Pre-K and Grades 2-3 school of 221 students. There is one administrator and a staff of 29 teachers, instructional assistants, and school aides. The school is located on Raleigh Court in Eatontown.

Margaret L. Vetter School – a Pre-K and Grades 4-5 school of 235 students. There is one administrator and a staff of 40 teachers, instructional assistants, and school aides. The school is located on Grant Avenue in Eatontown.

Middle School: Grades 6-8

Currently, there is one middle school (Memorial Middle School) that offer students in grades 7 and 8 a comprehensive educational program.

Memorial Middle School – a grades 6-8 school of 269 students. There is one administrator and a staff of 35 teachers, instructional assistants, and school aides. The school is located on Grant Avenue in Eatontown.

Preschool: Ages 3 & 4

The district also offers a full-day, free preschool program for Eatontown students ages 3-4. The district houses seven in-district classes and 5 classes with private providers.

DISTRICT CURRICULUM

The goal of the Eatontown K-8 Public Schools System is to encourage lifelong learning for all students. The district provides curricular offerings aligned with the New Jersey Student Learning Standards that enable students to develop intellectually, socially, physically, and emotionally. The core subjects of English Language Arts Literacy, Mathematics, Science, and Social Studies establish the foundation for a curriculum of exploration and breadth.

English Language Arts

The English Language Arts Curriculum is aligned to the New Jersey Student Learning Standards and promotes the language experiences students need in order to grow intellectually, socially, and emotionally. A balanced literacy approach is utilized, which integrates reading, writing, speaking, listening, and viewing to foster instruction that encourages students to think critically and creatively. The curriculum provides the skills students need to be successful throughout their lifetime and moreover, promotes a love of learning that comes with reading great literature and communicating well in speech and writing.

Curriculum was revised and BOE approved based on the state timeline. The district will provide more non-fiction and fictional texts for students and teachers to use within the classroom. The addition of these text materials will enhance students' interest in reading as well as provide more texts in meeting the students' various reading levels and backgrounds.

Mathematics

The overriding goal of mathematics education in the Eatontown Public Schools is to provide students with the higher order thinking skills, mathematical understandings, and problem-solving attitudes to be

successful in their careers and daily lives. The curriculum, aligned to the New Jersey Student Learning Standards, takes a developmental and sequential approach; a concept is introduced, subsequently developed, and mastered. The eight mathematical practices are embedded into the curriculum and instruction. With a strong focus on technology, the mathematics curriculum strives to integrate its objectives into all other subjects.

The district math curriculum has been revised and BOE approved in alignment with the NJSL. In addition, the district is ordering supplementary materials to align math educational materials to the NJSL. The entire district is using the Big Ideas Modeling Real Life Math. In middle school, the honors students are using the Big Ideas Accelerated program in grade 7 and Algebra 1 program in grade 8. This series is aligned with the NJSL K-8. In order to accelerate math learning and offer Algebra to all students in 8th grade, supplemental materials will be ordered for grades 5-6 to begin the math acceleration process.

Science

Science education in Eatontown provides the experiences to make students aware of the impact of science on society. This comprehensive curriculum, aligned to the New Jersey Student Learning Standards, assures that students develop an understanding of the concepts and processes of science through inquiry, activity, and experimentation. In grades kindergarten through five, the emphasis is placed on broad concept development while incorporating disciplinary core ideas, science and engineering practices, and crosscutting concepts. In grades 6-8, while the incorporation of disciplinary core ideas, science and engineering practices, and crosscutting concepts is still prevalent, the specific areas of earth science, life science and physical science are emphasized.

The district has revised the Science curriculum to the new NJ Student Learning Science Standards. The district is using the Elevate Science Program in Grades 3-8 and continues to see progress from instituting Mystery Science Program in Grades K-2. In addition, students in grades 3-6 continue to receive STEM enrichment throughout the year.

Social Studies

The social studies program reflects our changing society. Through a variety of learning experiences, by linking the past to the present, students develop an appreciation of the continuity of the human experience and realize that each individual has a contribution to make to society. With subject matter drawn from the humanities, this social studies program includes history, geography, government and civics, economics, anthropology, sociology, and psychology. These key study areas are integrated to explain the past, the current human condition, and future possibilities. This curriculum has been revised to align with the New Jersey Student Learning Standards.

World Languages

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

The district World Language staff is fully certified in these areas. In fact, students are taught Spanish K-8 by a certified, World Language teacher. Our youngest students are exposed to the World Languages curriculum on a routine and consistent basis. Materials for this subject area were ordered recently and will not be modified at this time. Articulation work with Monmouth Regional High School will continue.

Visual and Performing Arts

The visual and performing arts curriculum is intended to promote creative and original thought. The foundation of the arts curriculum is the belief that students are unique and have diverse talents. The goal of the arts programs is to provide rich, educational opportunities for all students to explore vocal music, general music, instrumental music, visual art, theatre, and dance.

As a district we have full staffing in both Art and Music PK-8. Students take these courses on a weekly basis as well as have opportunities to participate in after school clubs in these areas as well.

Library Media Center

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

Health and Physical Education

The comprehensive health and physical education programs encourage students to take responsibility for their own lives by acting conscientiously in the present and establishing positive health practices that will support and enhance life-long wellness. Students who are health-literate have the knowledge and skills to better achieve and maintain physical, social, and emotional health.

The district has full staffing in these areas. Students participate in physical education twice a week. Health is covered in the classroom at the elementary level and at the middle school level students participate in a separate class offering.

Educational Technology

It is the vision of the district to provide a technologically enriched environment in which our students can perform at optimum levels. The district provides for the acquisition and dissemination of knowledge via technological resources in concert with the New Jersey Student Learning Standards. The district modifies its program as students' needs and current technologies change. As a result, ongoing technology training is a major component of the district's staff development plan via turn-key training sessions as well as out-of-district professional development opportunities. All students have been equipped with a device daily to enhance learning and acquisition of important technology skills.

The district technology standards are incorporated and infused in the various district curricula. The Technology Coordinator, Technology Specialists, and Computer Technician all support the integration of technology into the curriculum. The use of Genesis, Microsoft Office, i-Ready, Google Classroom, Discovery Learning, BrainPop, and Smart Notebook all help technology to be part of the district's daily use of technology. Resources are available to maintain a high level of technology in the district and maintain a 1:1 student to device ratio. Classrooms have been equipped with Smartboards and sound bars for instruction.

Basic Skills

The K-8 Basic Skills Improvement program (BSI) is designed to meet the needs of those students who need additional assistance in English language arts and/or mathematics. The goal of the program is to help students succeed in the classroom. Utilizing small group instruction, students receive instruction either through in-class support or a pull-out model. In order to help a diverse student population to learn and to develop, the district supports remedial instruction in all schools.

Elementary Gifted and Talented

The elementary gifted and talented programs are needs-based programs designed for those students who exhibit exceptional intellectual and/or academic needs. The programs provide additional and appropriate educational challenges and opportunities to meet those needs.

The district Gifted and Talented program is supported by a teacher for grades 3-8. Students engage in a specialized curriculum and are pulled from class 2 periods a week. In addition, students in grades K-2 receive enrichment opportunities throughout the year. For a district of Eatontown's size, the community is proud of its Gifted and Talented as well as enrichment programs.

Middle School's Honors

The middle school's honors programs are subject specific.

- English Language Arts
- Math

English as a Second Language (ESL)

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

Special Education

The Special Education Department remains an integral part of the Eatontown Public Schools District, and continues to demonstrate a strong commitment to compliance, high-quality instruction, and data-driven service delivery for students with disabilities in grades PreK-8. The Department maintained strict adherence to federal and state requirements under IDEA and New Jersey Administrative Code (N.J.A.C. 6A:14), with all mandated timelines, procedural safeguards, and evaluation processes consistently met.

New Jersey Student Learning Standards

The Eatontown Public School district is following the Department of Education's guidelines for the adoption of the New Jersey Student Learning Standards. All approved curricula are aligned to the New Jersey Student Learning Standards as evidenced by our NJ QSAC visit in February 2025.

Staff Development

The Eatontown Public School district provides its teaching staff with many opportunities for professional development. The district as well as each school has a professional development plan.

In the beginning of the school year, all newly hired teachers receive one day of intensive in-service that includes instructional strategies, classroom management, curriculum, mentoring, district policy, technology, and security. Mentors are assigned to new staff members to provide support throughout the school year.

Five full-day professional days are built into the school calendar, enabling teachers to attend sessions related to instructional strategies, curricular updates, textbook orientation, and district-wide grade level and department meetings. Additional one-session days are provided to in-service the staff through building-based professional learning communities. Teachers also are afforded the opportunity to take two additional professional days related to their PDPs and/or areas of interest.

Many teachers are involved in writing curriculum. They receive in-service in using the New Jersey Student Learning Standards and Rubicon Atlas when writing curricula. These documents provide the support needed for teachers to develop curriculum guides that foster higher order thinking skills for all Eatontown students.

Technology

District-wide technology is used to increase productivity, enhance communication, as well as enrich curriculum and instruction. All district administrators, teachers, and appropriate support staff are assigned a computer/laptop to complete all job-related duties. Laptops/computers are able to be used both at work and at home, providing 24x7 access to all district network resources, services and files.

Every Kindergarten through 8th grade student at Eatontown Public Schools receives a personally assigned laptop to support daily learning and school activities. Each preschool classroom is equipped with five iPads,

which are used in learning centers to enhance and support student learning. All students in Grade 1 through Grade 8 take their computers to and from school. Kindergarten computers and preschool iPads are kept in carts that are stored in student homerooms/classrooms.

Throughout the district, approximately 1000 networked computers are in operation. Local area networks and wireless networks are present in every part of each school as well as the Administration and Special Services buildings/wings. The district's wide area network, composed of district owned private/dark fiber, connects all of the district's schools and buildings with the main point/dmarc being Memorial Middle School. The district distributes internet access via an enterprise-level internet feed provided by Comcast. This internet circuit is installed at Memorial Middle School and is accessible by all other district buildings via the WAN. Redundant firewalls are installed at the edge of the district's network and monitor all traffic entering and exiting the district to protect against malware and viruses. All Windows computers are protected with enterprise antivirus to maintain system security and prevent data compromise. 2 Factor Authentication is enabled for all staff and IT service accounts to protect against unauthorized access. Content filters are implemented at both the network and device levels to ensure CIPA compliant web browsing and protect students from online risks.

The district has adopted a cloud first IT infrastructure strategy, prioritizing cloud-based solutions over traditional systems. This approach increases scalability, reliability, and security, while simplifying maintenance. The move to cloud based systems has included such services as Meraki for network switching and wireless, Foxpass for internal PKI security certificate services, Backupify for user and VM backups, Onedrive and Google drive for user storage, Gmail for user and student email, Zoom Phone for district voice and SMS services, Infomacast Fusion for emergency messaging as well as Verkada for its surveillance camera, access control and environment sensor solutions.

To assist teachers in presenting lessons and resources to an entire class by way of one computer in a classroom, SMART Boards have been installed in every classroom throughout the district. The interactivity available with SMART Boards has provided district students with opportunities for active learning. Teachers have access to a variety of internet educational resources including i-Ready in Math and ELA, BrainPop, Front Row, iXL, and streaming video, to name a few.

The district maintains a website that includes district information and separate sections for each school. The district maintains a district-wide student information system via Genesis as well as a financial and personnel system that also falls under the Genesis umbrella. All schools use e-mail and SMS communications with parents, which has reduced the amount of paper sent home with the students. In addition, teachers use Genesis for inputting term grades, and all report cards are distributed electronically. Parents can access their child's schedules, class attendance, and teachers' grade books live through the Parent Portal.

ECONOMIC CONDITION AND OUTLOOK

There are a number of potential housing developments that were approved in Eatontown and the beginning phases of building has begun. The district anticipates an increase in enrollment once those homes are built and occupied. The district completed the 2024-2025 fiscal year with a K-8 enrollment of 952 students. The following details the changes in the student enrollment of the district over the last five (5) years and the current school year. The table presents the annual pupil enrollment, as of October 15th, for the school years 2019-20 through 2024-2025.

<u>School Year</u>	<u>Enrollment as of October 15</u>	<u>% of Change</u>
2019-20	967	1.68%
2020-21	928	-4.03%
2021-22	867	-6.58%
2022-23	885	2.08%
2023-24	910	2.82%
2024-25	952	4.62%

A demographic study was completed in May 2019 which predicted a leveling off trend in enrollment over the next five years. This prompted the board to grade band the district, which has led to each school to host specific grade levels. Previously the district housed neighborhood schools where the grade levels in each of the elementary buildings were kindergarten through 6th grade.

The four (4) schools in the district vary in age, with original construction dates ranging from 1953 through 1968. Major renovations took place in 2007 included replacement of HVAC systems, new roofs, installation of windows throughout district, installation of new flooring and doors in all classrooms, an addition to central office building, and upgrade of life safety equipment.

We recognize that the state is in a financial crisis and want to assure our residents that the Eatontown Public School District is doing its part to maintain a responsible budget. The district's administration closely monitors the cost of operations and continues to look for new funding sources in order to maintain the quality education services that the district has been accustomed to providing. The district has applied for and received grants from the Elks Club, NJ Audubon, NJSBAIG Safety Grant, NJTSS, IDEA, Title I, II, III, & IV and CARES/ ESSER/ARP Funds. The district also has expanded its full-day preschool services through the Preschool Expansion Grant.

BONDS PAYABLE

On June 30, 2025, the District's outstanding debt issues included bonds of \$ 11,800,000, and Energy Savings Improvement Bonds of \$ 4,500,000.

In December 2014, the district participated in a pool with the Monmouth County Improvement Authority which qualified the district for a bond rating of AAA. In 2024 the district refinanced their outstanding bonds at a lower rate to reduce the debt service portion of the tax levy.

In September 2021, the district issued School Energy Obligations Refunding Bonds in the amount of \$4,290,000 to finance energy conservation measures pursuant to an Energy Savings Improvement Plan ("ESIP") at interest rates ranging from 2.125% to 4.000% through September 2042. The issuance of the bonds does not have an impact on the tax levy. The funds were used to replace aging HVAC equipment across the district at no additional cost to the taxpayer.

COMMUNITY INVOLVEMENT

- Eatontown PTA supplies school programs and experiences. This year, the PTA started a grant program where staff applied for grants to help support school-based projects.
- The Eatontown Elks applied for a grant on behalf of the district which enabled them to provide Vetter School with supplies for their Preschool playground.. Volunteers from the Elks built the structures while students from Memorial School assisted with the gardening.
- In addition, the Elks and Lion's Clubs conduct essay contests and award high-performing students.
- Numerous organizations including Eatontown Recreation, Pop Warner, Eatontown Choraliers and the Greater Shore Concert Band, Boy Scouts, and Girls Scouts use the district facilities to hold meetings and events.
- The Eatontown Lion's Club provides free eye screening to all district students in the fall.
- Collaborate with the Eatontown Recreation Department to provide programs for children.

MAJOR INITIATIVES

As a result of a comprehensive review of educational curriculum programs, instruction and services within the district, the following initiatives have been reviewed and/or expanded:

Meadowbrook School

The priorities of maintaining student safety and security, as well as rigor in the instructional program were the cornerstones of the 2024-25 budget. In a continuing commitment to fiscal responsibility, purchases were made very selectively with both school and district goals at the forefront of that decision making. By carefully examining and utilizing existing resources in the building and in other elementary schools, there

was no need to purchase additional school furniture for students. Additionally, all initiated purchase requests were for materials that were deemed essential. These included core instructional materials/supplies and materials. Additionally, purchases of educational resources also were made to enhance small group and differentiated instruction within the mathematics and literacy sections at each grade level. Additionally, monies also were allocated and spent within the media center and in the special areas of art, music, PE, and health. Resources were purchased to assist in the development of Social and Emotional learning. The GrapeSEED program was purchased for use in our ESL program. Generation Genius and BrainPop Jr. was also purchased to enhance the science and social student programs. Doing so provided monetary support for these programs within the school budget so that these programs could operate properly during the school year. Input from stakeholders across the staff proved useful in determining amounts needed in various supply accounts. Supplies that were ordered were confirmed to be valid needs prior to initiating the purchase process. Whenever possible, members of the staff continued to utilize existing resources to keep costs down.

During the school year, the library of decodable books was expanded. Also, the mentor text library in the areas of diversity, social justice, and SEL was expanded. Updated playground equipment was purchased to replace the older, broken equipment and to add play areas for the students.

The 2024-25 budget reflected a commitment to fully support the instructional program while being financially responsible. The books, services, and materials that were purchased were for mandated and supplemental instructional resources in order to help students meet the college and career readiness standards.

Woodmere Elementary School

In preparing our students for their eventual entrance into Vetter School, the Woodmere faculty worked collaboratively to provide a positive school culture based on reflective practices, inquiry, and learning. During the 2024-25 school year, we deepened our commitment and practices in utilizing data to drive instruction and expanded our small group instruction in both Language Arts and Math.

The 2024-25 school budget effectively enabled the purchase of resources to help meet the goal of providing an enriching educational experience for all students. During this year, the school purchased many phonemic materials to support the Science of Reading teaching trends as well as materials needed for Guided Reading Libraries in order to create a true balanced literacy approach to Language Arts and Reading. In Mathematics, educational resources were obtained to enhance small group instruction and differentiated math centers across grade-levels. The school also placed emphasis on the importance of Social Emotional Learning.

With the continuing implementation of the district technology initiative, the faculty had opportunities to attend professional development workshops both in and out of the district. The professional learning was transferred to classroom practice. Teachers integrated Google applications in daily instruction and used technology to develop formative and summative assessments.

In addition to, the previous essential purchases, money was allocated to enhance student learning outside of the traditional classroom setting. Membership costs and materials associated with NJ Math League, Spelling Bee and other instructional competitions were included in the school budget. Also, institutional subscriptions for weekly Scholastic Readers and Time for Kids for students were purchased. Most importantly, a school schedule was developed that provided additional learning time for students through mentoring and tutoring services during lunch time.

Margaret L. Vetter School

In the 2024–25 school year, Vetter School continues to use its budget to create an equitable, engaging, and academically rigorous learning environment that supports the success of all students.

Online platforms such as IXL, Flocabulary, and XtraMath were purchased to provide teachers with high-quality, individualized resources that students can access both in school and at home. Data from these

programs—along with i-Ready—were reviewed during grade-level and staff meetings to guide instruction, identify areas of need, and target supports during ELA and Math blocks.

To strengthen science instruction, staff evaluated available resources and selected the Elevate Science program to support student readiness for the NJSLA-Science assessment. Teachers also incorporated Mystery Science to increase hands-on, inquiry-based learning experiences. STEM/STEAM enrichment opportunities were expanded to promote problem-solving, creativity, and design-thinking across both grade levels.

Afterschool programs and clubs extended learning beyond the school day and encouraged engagement for 4th and 5th grade students. Vetter School offered Homework Clubs, AAA ELA and Math Clubs, STEM/STEAM Club, Technology Club, and the Student Ambassador Program. These opportunities are designed to support academic growth, leadership development, and enrichment for students with diverse interests and needs.

The Vetter budget also prioritized the social and emotional development of students. Staff engaged in professional learning centered on The Leader in Me framework, with a focus on goal setting, habit development, and student leadership. Schoolwide goals were celebrated as milestones were met, reinforcing collective growth and a strong sense of community. Students were recognized quarterly for academic accomplishments such as Honor Roll, as well as Character Trait awards aligned with our core values. Funding was also allocated for furnishings in the Tiger's Den, a supportive space designed to promote regulation, reflection, and positive behavior.

Memorial Middle School

During the 2024-25 budget cycle, the Memorial Middle School's budget continued to evolve to meet the demands of a rigorous curriculum as well as the unique needs of our students.

Funds were dedicated to the purchase of programs to allow us to monitor student progress and make informed instructional decisions. Assessment tools such as i-Ready allowed us to monitor student's reading progress. Empowered with this data, teachers were able to tailor their instruction to the unique needs of each student. In addition, we use other supplemental resources to complement the core subjects that include Delta Math, IXL, Mosa Mack for Science, and Scholastic.

Throughout the 2024-25 school year, teachers, parents, students, and all support personnel worked together to support a school environment centered on academic achievement, personal growth, and tolerance for students in grades seven and eight. Teachers planned lessons and experiences for students that broadened their understanding of the curriculum and areas of priority focus.

As part of the continued district initiative, the staff infused technology and the use of laptops on a daily basis. The advancement of 1:1 technology continued to play a major role in the school. Students were given opportunities to research, create, write, and read through the laptops. Many teachers have embraced Google Classroom and other curriculum-appropriate resources as a vehicle to provide differentiated instruction and promote students' organizational skills and practices. Other technological apps that are used are Ed Puzzle, Brain Pop, Screencastify, and Elevate.

As required, the school addressed the Harassment, Intimidation, and Bullying Law by utilizing a building-level committee and training the staff in the provisions of the law. Memorial School scheduled grade-level programs, presented by our school counselors, to address the expectations of tolerance for others and exercising appropriate behavior. The school uses restorative practices in addition to Positive Behavioral Supports to create a positive school environment. The addition of the Special's Alternative and recess have improved the overall school climate. The school nominates a Student Government that attends meetings and provides a voice for the student body.

Professional development initiatives for the staff continued to focus on the New Jersey Student Learning Standards and the infusion of technology. Teachers, in all departments, continue to embrace an enhanced

focus on non-fiction text, literacy, and problem-solving in mathematics. Teachers are working together to address the NJ Student Learning Standards by attending regular workshops and working together as a professional community. The use of daily Grade Level Meetings and PLCs has contributed to the school's success and growth.

The school budget continued to support many fine athletic teams and extra-curricular clubs. Our athletic teams continued to be widely supported by parents and the community. The National Junior Honor Society continues to be popular among the students. Students participated in numerous clubs including the Environmental Club, GSA, CSA, and Technology Club.

The middle school program continued to address the academic and emotional growth of adolescent students and their role as a community member in the middle school. The instructional program coupled with the numerous team and club opportunities continues to exceed our goals and expectations.

DISTRICT-WIDE

Curriculum:

- **Mentoring** – New teachers to the district have a well-defined mentoring program that will enable them to become acclimated with the Eatontown Public Schools. This program supports new teachers by providing a mentor who acts as a guide the first year. During the second year of mentoring, the concept of coaching has been added to train mentors to further assist new teacher in the instructional process. A new teacher orientation is provided in the first year as well.
- **Curriculum Writing** – Many guides were revised or developed in order to align the newly adopted New Jersey Student Learning Standards. All curriculum is fully aligned as per NJ QSAC standards.

Special Services:

- **Inclusive Education:** Our inclusive PreK-8 programs support the District's goal of educating the maximum number of students in general education settings, as deemed appropriate. This model has proved successful, and we will continue to educate students in the least restrictive environment moving forward. The number of students receiving ELA and/or Math programs within the general education classes has increased exponentially, and we are excited for future advances.
- **Out of District Placement Reductions:** The Special Services Department is committed to reducing the number of students receiving special education programs and services at out of district placements, and instead, Eatontown students will be educated in the least restrictive environment, their home schools.
- **ABA:** The Special Services Department continues to enhance our programming based upon the framework of Applied Behavior Analysis in each elementary school. Teachers, Case Managers, and Speech Therapists received comprehensive training in Applied Behavior Analysis, as well as, behavior management, and are effectively implementing these core principles. VB Mapp and ABLLS are utilized with fidelity for assessment and progress monitoring.
- **LLD & Related Services Delivery:** The Special Services Department expanded our LLD classroom to include the Middle School, grades 6-8 with targeted interventions and specialized supports aligned with student needs. Related services are delivered consistently, with progress monitoring data demonstrating appropriate growth across domains.
- **Staff Training & Professional Development:** Special Education staff participate in ongoing professional learning focused on evidence-based practices, behavioral supports, IEP alignment, and culturally responsive teaching.
- **Parent & Community Engagement:** The Special Services Department strengthened communication with families through an organized SEPAC, structured IEP meetings, multilingual outreach, and opportunities for parent feedback. These efforts support transparency and collaborative decision-making.
- **Data-Driven Decision Making:** Student performance data, classroom observations, and service logs were utilized to monitor progress and adjust programming as needed.

These highlights reflect our ongoing dedication to providing high-quality, compliant, student-centered services. We are proud to say that there are inclusive, resource, and self-contained classrooms at all of our

schools. Our Special Education population has increased well above the State average, and we will continue to design and deliver appropriate services and programs for all students.

In addition:

- The preschool expansion program has now grown to 12 classes located in 5 different buildings- Meadowbrook, Woodmere and Vetter Schools. Two preschool private providers, Kiddie Academy and Lightbridge Academy, each contain two classes for our preschool students.
- Majority of students in special education increased their reading by at least two levels.
- All special education students working in the Corrective Reading Program completed 30 lessons with 80% mastery and increased their reading levels by at least two levels.

Business:

Due to constant changes in the state fiscal environment, the business office continued to evolve during the 2024-25 school year. Increased workload in all areas, while maintaining current staff levels, proves to be an on-going challenge. Accomplishments/initiatives in this school year were as follows:

- The district completed its nineteenth year using a contractor for custodial services. Through ongoing hard work and adaptation, the outsourcing out of this service continues to be successful and has proven to be the cost-efficient option for the district.
- Continued to find ways to save taxpayer monies by exploring shared services with Eatontown Borough. During the 2024-2025 school year, the district continued to participate in an electricity cooperative, jointures for transportation, grounds maintenance shared service, and professional development services.
- The district has taken steps to participate in the Energy Savings Improvement Program (ESIP). Funding was complete in September 2021 and the construction phase began in July 2022. Construction is still on-going.
- Maschio's Food Service provided meals based on the guidelines prescribed by the State of New Jersey Department of Agriculture. For the past five years, the food service department has produced a substantial profit which the district reinvested into the kitchen to promote the continued growth of the food service program. More students are taking advantage of food services including the breakfast and lunch programs.
- In the 2024-25 School Year, Maschio's continued to introduce more variety of meals to increase sales throughout the district, as well as conformed to the changing environment brought on by the pandemic. In addition, Maschio's continued to provide catering for district-wide functions throughout the district.
- The Business Office provides direct access to its budgetary system for all schools for input of purchase orders and budgetary account review. This system was also used to develop the 2024-25 district budget. In addition, school activity accounts are linked to this system.
- The Business Office utilizes the cooperative procurement management program Educational Data Services, Inc for both supplies and time and material vendors. This program creates savings to the district and helps maintain purchasing compliance.
- The District maintains the Long-Range Facilities Plan and Comprehensive Maintenance Plan for submission to the New Jersey Department of Education and continued maintenance of our facilities.
- The District continues to explore ways to keep cost down by looking at health benefits alternatives and options through its consultant Brown and Brown Benefit Advisors. During the 2024-25 School Year, the district continued to be a part of the School Health Insurance Fund which is administered through PERMA, and has provided a safeguard for increase health insurance cost for the next three years. Health Insurance remained nearly flat in the 2024-2025 school year.
- Due to the demands of the expected reduction in state aid due to the S2 funding formula, the district is exploring ways to adjust to the forecasted loss over the next several years.

Personnel:

The district employed 186 individuals during the 2024-25 school year. The certificated staff numbered 131; 7 administrators and supervisors and 124 classroom teachers and educational support personnel (nurses, guidance counselors, child study team members, etc.). In addition, 55 others, including instructional assistants, school aides, bus drivers and attendants, secretaries, and custodial and maintenance employees, were employed.

In a district the size of Eatontown, there is a need each year to search for qualified candidates. The district was able to accomplish this through a highly competitive recruitment and selection process. Additionally, an impressive array of in-service opportunities helped staff members stay current, allowing them to improve their instructional skills, a hallmark of a progressive and innovative school district. For example, the district continued its new teacher mentoring program. All newly certified teachers and most teachers new to the district were assigned mentors as well as supervisory advocates to assist them in their first year of employment. District administrators further provided these teachers with an extensive in-service program designed to help them acclimate to their new working environment. In addition, the district supports both in-house and out-of-district presenters to keep staff current on important educational trends, approaches, and strategies.

In order to recruit a more diverse workforce, the district is a member of NJ Statewide Recruitment of Diverse Educators (NJ STRIDE), a statewide consortium of school districts collaborating to improve the diversity of teacher candidates entering the profession and providing professional development opportunities for human resource professionals working within school districts. Additionally, the district partners with the Teacher Apprenticeship Network to assist individuals to pursue a career in teaching through alternative pathways. This program creates tailored apprenticeship solutions that connect schools, candidates, and funding, assists with recruitment and licensure, and improves the pool of qualified teachers.

INTERNAL CONTROLS

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

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

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

BUDGETARY CONTROLS

In addition to internal controls, the district maintains budgetary controls and a legal level of budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue funds, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

Beginning with the 2012-2013 budget, the state of New Jersey allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

The Eatontown Board of Education elected to eliminate the budget vote at that time. In addition to the 2% limit on tax levy increases, there are restrictions on budget transfers during the year that can be made without NJDOE approval.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance at fiscal yearend. The Business Administrator and the Superintendent meet with the Finance Committee regularly to review the school budget and areas of concern.

ACCOUNTING SYSTEMS AND REPORTS

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

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey OMB Circular 15-08. The auditors' report on the basic financial statements, required supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

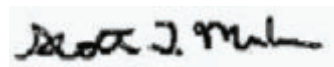
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING AWARD

The district received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International for the June 30, 2024 Annual Comprehensive Financial Report (the seventh year in a row the district has achieved this award).

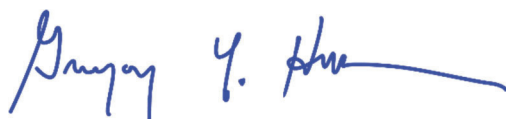
ACKNOWLEDGMENTS

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

Respectfully submitted,

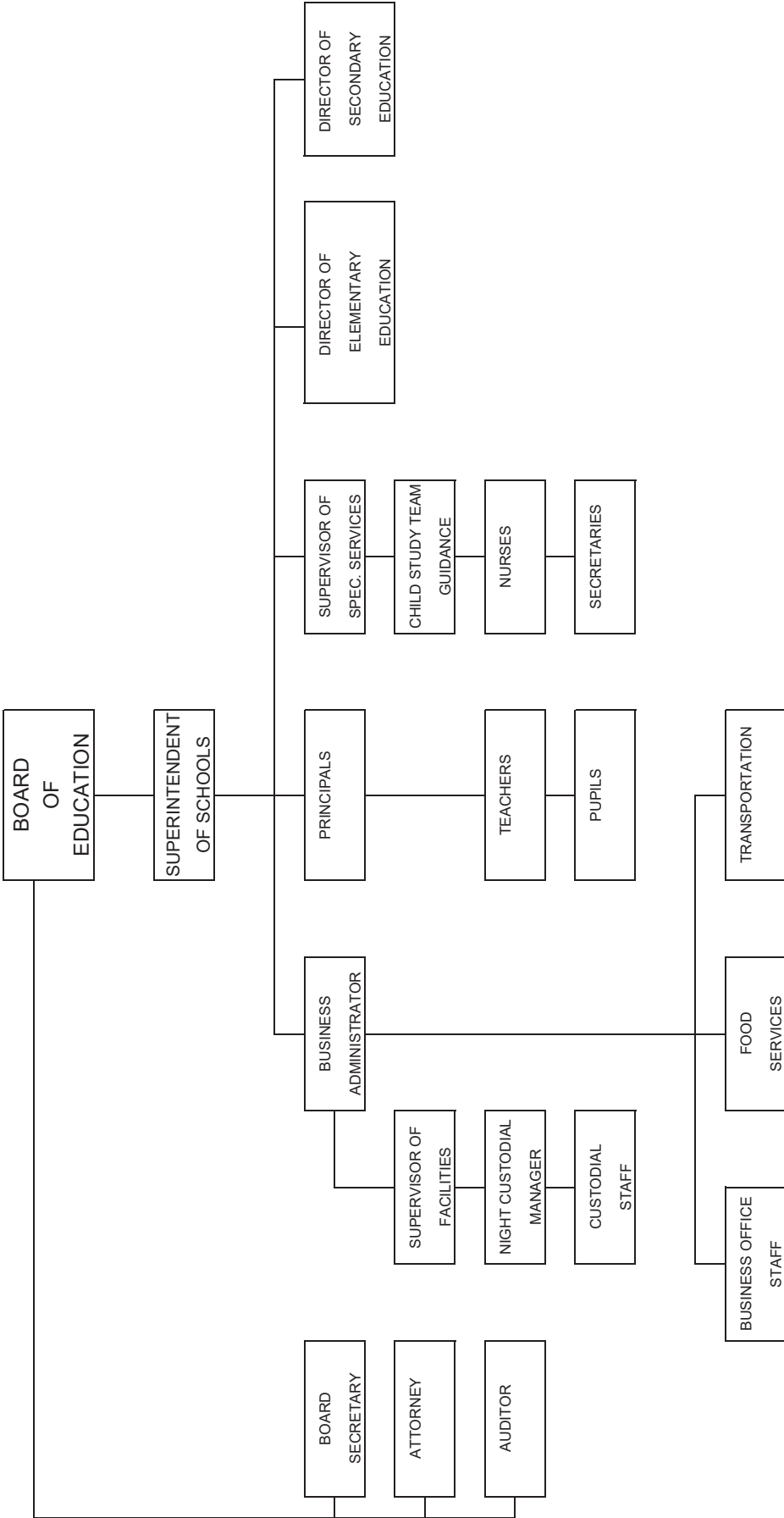


Scott T. McCue
Superintendent of Schools



Gregory Hillman,
Business Administrator/Board Secretary

**EATONTOWN PUBLIC SCHOOL DISTRICT
ORGANIZATIONAL CHART
(UNIT CONTROL)
2024-2025**





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Eatontown Public School District

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'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
EATONTOWN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2025**

Members of the Board of Education

TERM EXPIRES

Nelson Ortiz, President	2025
Daniel Murphy, Vice President	2025
Jessica Ragucci	2027
Erika Cherry	2025
Jennifer Connelley	2026
Jennifer Kopach	2027
Linda Phipps	2026
Linda Rogers	2026
Deidre Seaman	2027

Other Officials

Scott T. McCue, Superintendent of Schools
Lori Youngclaus, School Business Administrator/Board Secretary
Joseph M. Casello, Esq., Board Attorney

**EATONTOWN PUBLIC SCHOOL DISTRICT
EATONTOWN, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2025**

AUDITOR/AUDIT FIRM

Brian J. Waldron, CPA, PSA
Holman Frenia Allison, P. C.
1985 Cedar Bridge Ave., Suite 3
Lakewood, New Jersey 08701

ATTORNEY

Joseph M. Casello, Esq., Board Attorney
Collins, Vella & Casello, LLC
2430 Highway 34, B12
Manasquan, New Jersey 08736

OFFICIAL DEPOSITORY

TD Bank
175 Wyckoff Road
Eatontown, New Jersey 07724

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Eatontown Public School District
County of Monmouth
5 Grant Avenue, Eatontown, NJ 07724

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Brian J. Waldron
Certified Public Accountant
Public School Accountant, #2600

Lakewood, New Jersey
January 15, 2026

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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EATONTOWN PUBLIC SCHOOL DISTRICT

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

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- In total, net position of governmental activities increased \$192,186, which represents a 1.34% increase from 2024. Total net position of business-type activities decreased \$56,965, which represents a 18.61% decrease from 2024.
- General revenues accounted for \$23,983,084 in revenue or 80.14% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,943,246 or 19.86% of total revenues of \$29,926,330.
- Total assets of governmental activities decreased by \$1,875,016 as cash and cash equivalents decreased by \$757,010, receivables increased by \$35,848, restricted cash and cash equivalents decreased by \$69,459, and total capital assets decreased by \$1,084,395.
- Total liabilities of governmental activities decreased by \$3,068,764 as non-current liabilities due beyond one year decreased by \$2,891,757.
- The District had \$29,200,756 in governmental activity expenses; only \$5,409,857 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$23,983,084 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$192,186.
- In the governmental funds, the general fund had \$26,555,281 in revenues, \$26,961,751 in expenditures and \$515,912 in other financing uses. The general fund's fund balance decreased by \$922,382 over 2024.

USING THIS ACFR

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

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

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

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

The District has no Fiduciary Funds.

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

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

Government-Wide Financial Analysis

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

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

Net Position
June 30, 2025

	Governmental Activities		Business-Type Activities	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets				
Current and Other				
Assets	\$ 5,281,562	\$ 6,072,183	\$ 141,937	\$ 230,234
Capital Assets, Net	27,440,684	28,525,079	152,516	111,850
Total Assets	<u>32,722,246</u>	<u>34,597,262</u>	<u>294,453</u>	<u>342,084</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	599,876	642,328	-	-
Deferred Charges on Refunding of Debt	24,796	1,027,822	-	-
Total Deferred Outflow of Resources	<u>624,672</u>	<u>1,670,150</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	18,208,194	21,238,755	-	-
Other Liabilities	387,584	425,787	45,295	35,961
Total Liabilities	<u>18,595,778</u>	<u>21,664,542</u>	<u>45,295</u>	<u>35,961</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	200,944	244,860	-	-
Total Deferred Inflows of Resources	<u>200,944</u>	<u>244,860</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	13,153,575	12,332,483	152,516	111,850
Restricted	4,538,990	4,600,455	-	-
Unrestricted	(3,142,369)	(2,574,928)	96,642	194,273
Total Net Position	<u>\$ 14,550,196</u>	<u>\$ 14,358,010</u>	<u>\$ 249,158</u>	<u>\$ 306,123</u>

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

Restricted net position decreased \$61,465 from the prior year to \$4,538,990 at June 30, 2025.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$3,142,370) is shown as unrestricted net position for Governmental Activities.

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

	<u>June 30, 2025</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 107,433	\$ 107,433
Operating Grants and Contributions	5,409,857	425,956	5,835,813
General Revenues:			
Property Taxes	20,319,194	-	20,319,194
Federal and State Aid	3,332,250	-	3,332,250
Miscellaneous	69,780	-	69,780
Total Revenues	29,131,081	533,389	29,664,470
Expenses:			
Instructional Services	14,817,465	-	14,817,465
Support Services	14,383,291	590,354	14,973,645
Interest and Other Charges	-	-	-
Total Expenses	29,200,756	590,354	29,791,110
Change in Net Position	(69,675)	(56,965)	(126,640)
Net Position, Beginning	14,358,010	306,123	14,664,133
Net Position, Ending	\$ 14,288,335	\$ 249,158	\$ 14,537,493

	<u>June 30, 2024</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 200,336	\$ 200,336
Operating Grants and Contributions	4,613,514	421,000	5,034,514
General Revenues:			
Property Taxes	18,640,456	-	18,640,456
Federal and State Aid	3,865,197	-	3,865,197
Miscellaneous	701,625	-	701,625
Total Revenues	27,820,792	621,336	28,442,128
Expenses:			
Instructional Services	13,100,096	-	13,100,096
Support Services	12,517,558	515,061	13,032,619
Interest and Other Charges	496,125	-	496,125
Total Expenses	26,113,779	515,061	26,628,840
Change in Net Position	1,707,013	106,275	1,813,288
Net Position, Beginning	12,650,997	199,848	12,850,845
Net Position, Ending	\$ 14,358,010	\$ 306,123	\$ 14,664,133

Financial Analysis of the District's Funds

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

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

Financial Information at Fiscal Year-End

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

	<u>June 30, 2025</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 10,488,239	31.23%	\$ 578,413	5.84%
Undistributed	20,539,280	61.16%	1,442,106	7.55%
Capital Outlay	600,264	1.79%	(642,077)	-51.68%
Debt Service:				
Principal	1,295,000	3.86%	-	0.00%
Interest	505,515	1.51%	(96,210)	-15.99%
Cost of Issuance	154,858	0.46%	-	0.00%
Total	<u>\$ 33,583,156</u>	<u>100.00%</u>	<u>\$ 1,282,232</u>	<u>3.99%</u>

	<u>June 30, 2024</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2023	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 9,909,826	30.83%	\$ 384,317	5.84%
Undistributed	19,097,174	59.41%	617,703	7.55%
Capital Outlay	1,242,341	3.86%	(2,627,678)	-51.68%
Debt Service:				
Principal	1,295,000	4.03%	30,000	0.00%
Interest	601,725	1.87%	(63,998)	-15.99%
Total	<u>\$ 32,146,066</u>	<u>100.00%</u>	<u>\$ (1,659,656)</u>	<u>3.99%</u>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

General Fund Budgetary Highlights

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

Significant Budget Transfers and Variations:

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

Based on the financial results of 2024-2025 unassigned fund balance increased by \$235,889 to \$272,862 (2% required per S-1701, net of allowable adjustments).

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

The Food Services Enterprise Fund showed a decrease in net position of \$56,965 in 2024-2025 as compared to an increase in net position of \$106,275 in 2023-2024. The food service fund required no contributions from the Board in either school year. The Board has made significant changes to the varieties of offerings to appeal to the grade levels at each school. In the prior school year Eatontown Board of Education implemented grade banding throughout the district. In order to increase sales and reduce cost, the menu varies for the students in the upper grade levels. Although the food service operation is profitable, the district feels an investment in the program is needed to improve service and replace equipment, combined with the changes in the operations recommended by its food service consultant, will continue to ensure that the program’s financial remains positive over time.

Capital Assets

At June 30, 2025 the District has capital assets of \$27,593,200, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2025</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 2,375,200	\$ -
Land Improvements	353,034	-
Buildings/Construction	23,295,166	-
Machinery and Equipment	1,417,284	152,516
Total	<u>\$ 27,440,684</u>	<u>\$ 152,516</u>

	<u>June 30, 2024</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 2,375,200	\$ -
Construction In Progress	438,012	-
Buildings/Construction	24,814,103	-
Machinery and Equipment	897,764	111,850
Total	<u>\$ 28,525,079</u>	<u>\$ 111,850</u>

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

Debt Administration and Other Obligations

At June 30, 2025 and 2024, the District’s outstanding debt issues included \$9,815,000 and \$11,920,000 respectively of general obligation bonds, \$3,655,000 and \$3,795,000 respectively of Obligations under Financed Purchases and \$861,998 and \$756,159 respectively in compensated absences payable.

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

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2025-2026 budget will be adequate to satisfy all 2025-2026 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2025-2026.
- The Board has settled contracts with all bargaining units for the 2025-2026 school year. Negotiations begin in October 2026 for the Eatontown Education Association (EEA) and for the Eatontown Education Association Secretaries (EEAS).

Requests for Information

This financial report is designed to provide a general overview of the Eatontown Public School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Eatontown Board of Education, 5 Grant Avenue, Eatontown, NJ 07724.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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EATONTOWN PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,698,892	\$ 53,733	\$ 2,752,625
Receivables, Net (Note 4)	655,229	78,126	733,355
Inventory	-	10,078	10,078
Restricted Cash & Cash Equivalents	1,927,441	-	1,927,441
Capital Assets, Net (Note 5)			
Non-Depreciable	2,375,200	-	2,375,200
Depreciable	25,065,484	152,516	25,218,000
Total Assets	32,722,246	294,453	33,016,699
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	599,876	-	599,876
Related to Loss on Debt Refunding	24,796	-	24,796
Total Deferred Outflow of Resources	624,672	-	624,672
LIABILITIES:			
Accounts Payable	-	40,087	40,087
Due to Other Governments	298,121	-	298,121
Unearned Revenue	12,544	5,208	17,752
Accrued Interest	64,816	-	64,816
Payroll Deductions and Withholdings Payable	12,103	-	12,103
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,508,227	-	1,508,227
Due in More Than One Year	16,699,967	-	16,699,967
Total Liabilities	18,595,778	45,295	18,641,073
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	200,944	-	200,944
Total Deferred Inflow of Resources	200,944	-	200,944
NET POSITION:			
Net Investment in Capital Assets	13,153,575	152,516	13,306,091
Restricted for:			
Capital Reserve (Note 3)	1,382,149	-	1,382,149
Debt Service	31,463	-	31,463
Maintenance Reserve (Note 3)	936,117	-	936,117
Excess Surplus (Note 16)	2,108,849	-	2,108,849
Unemployment Reserve	62,735	-	62,735
Student Activities	12,298	-	12,298
Scholarship	5,379	-	5,379
Unrestricted (Deficit) (Note 18)	(3,142,369)	96,642	(3,045,727)
Total Net Position	\$ 14,550,196	\$ 249,158	\$ 14,799,354

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

EATONTOWN PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 9,172,716	\$ -	\$ 1,896,973	\$ (7,275,742)	\$ -	\$ (7,275,742)
Special Education Instruction	4,072,048	-	312,631	(3,759,417)	-	(3,759,417)
Other Instruction	1,572,701	-	120,745	(1,451,956)	-	(1,451,956)
Support Services:						
Tuition	1,405,085	-	39,495	(1,365,590)	-	(1,365,590)
Student & Instruction Related Services	6,245,376	-	2,833,295	(3,412,081)	-	(3,412,081)
General Administrative	754,787	-	21,216	(733,571)	-	(733,571)
School Administrative Services	881,133	-	24,767	(856,366)	-	(856,366)
Central Services	431,248	-	12,122	(419,126)	-	(419,126)
Administrative Info. Technology	233,325	-	6,558	(226,767)	-	(226,767)
Plant Operations & Maintenance	3,032,205	-	102,699	(2,929,506)	-	(2,929,506)
Pupil Transportation	1,400,132	-	39,356	(1,360,776)	-	(1,360,776)
Total Governmental Activities	29,200,756	-	5,409,857	(23,790,898)	-	(23,790,898)
Business-Type Activities:						
Food Service	590,354	107,433	425,956	-	(56,965)	(56,965)
Total Business-Type Activities	590,354	107,433	425,956	-	(56,965)	(56,965)
Total Primary Government	\$ 29,791,110	\$ 107,433	\$ 5,835,813	(23,790,898)	(56,965)	(23,847,863)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				19,110,091	-	19,110,091
Property Taxes, Levied for Debt Service				1,209,103	-	1,209,103
Federal & State Aid Restricted				1,047,913	-	1,047,913
Federal & State Aid Not Restricted				2,284,337	-	2,284,337
Tuition Charges				1,350	-	1,350
Miscellaneous				68,429	-	68,429
Extraordinary Items				261,861	-	261,861
Total General Revenues				23,983,084	-	23,983,084
Change In Net Position				192,186	(56,965)	135,221
Net Position - Beginning Balance				14,358,010	306,123	14,664,133
Net Position - Ending				14,550,196	249,158	14,799,354

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

B. Fund Financial Statements

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Governmental Funds

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EATONTOWN PUBLIC SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2025

	MAJOR FUNDS					TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND		
ASSETS						
Cash & Cash Equivalents	\$ 2,818,278	\$ -	\$ 45,287	\$ 31,463	\$	2,895,028
Receivables, Net:						
Interfund Receivable	-	100,939	408,273	-		509,212
Due from Other Governments:						
Federal	7,057	108,503	-	-		115,560
State	426,223	-	-	-		426,223
Other	7,636	-	-	-		7,636
Other Accounts Receivable	99,959	5,851	-	-		105,810
Restricted Cash & Cash Equivalents	1,927,441	-	-	-		1,927,441
Total Assets	\$ 5,286,594	\$ 215,293	\$ 453,560	\$ 31,463	\$	5,986,910
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit	\$ -	\$ 196,136	\$ -	\$ -	\$	196,136
Intergovernmental Payable:						
State	-	5,851	-	-		5,851
Interfund Payable	509,212	-	-	-		509,212
Unearned Revenue	-	12,544	-	-		12,544
Payroll Deductions and Withholdings Payable	12,103	-	-	-		12,103
Total Liabilities	521,315	214,531	-	-		735,846
Fund Balances:						
Restricted for:						
Capital Reserve	928,589	-	-	-		928,589
Maintenance Reserve	936,117	-	-	-		936,117
Excess Surplus	1,100,000	-	-	-		1,100,000
Excess Surplus Designated for Subsequent Year	1,008,849	-	-	-		1,008,849
Reserve for Unemployment Fund	62,735	-	-	-		62,735
Capital Projects	-	-	453,560	-		453,560
Debt Service	-	-	-	31,463		31,463
Student Activities	-	12,298	-	-		12,298
Scholarship	-	5,379	-	-		5,379
Assigned to:						
Other Purposes	439,212	-	-	-		439,212
Unassigned	289,777	(16,915)	-	-		272,862
Total Fund Balances	4,765,279	762	453,560	31,463		5,251,064
Total Liabilities & Fund Balances	\$ 5,286,594	\$ 215,293	\$ 453,560	\$ 31,463		

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 \$50,861,179 and the accumulated depreciation is (\$23,420,495).	27,440,684
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows Related to Pensions	599,876
Deferred Inflows Related to Pensions	(200,944)
Deferred Outflow Related to the Loss on Bond Refunding of Debt	24,796
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.	(64,816)
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(292,270)
Long-term liabilities, including net pension liability, financed purchases payable and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(18,208,194)
Net Position of Governmental Activities	\$ 14,550,196
The accompanying Notes to Financial Statements are an integral part of this statement.	

**EATONTOWN PUBLIC SCHOOL DISTRICT
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	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 19,110,091	\$ -	\$ -	\$ 1,209,103	\$ 20,319,194
Tuition Charges	1,350	-	-	-	1,350
Miscellaneous	68,429	48,719	-	-	117,148
Total Local Sources	19,179,870	48,719	-	1,209,103	20,437,692
State Sources	7,348,976	3,015,975	-	622,872	10,987,823
Federal Sources	26,435	1,210,831	-	-	1,237,266
Total Revenues	26,555,281	4,275,525	-	1,831,975	32,662,781
Expenditures:					
Current:					
Instruction:					
Regular Instruction	5,018,732	1,473,987	-	-	6,492,719
Special Education Instruction	2,882,316	-	-	-	2,882,316
Other Instruction	1,113,204	-	-	-	1,113,204
Support Services:					
Tuition	1,046,987	-	-	-	1,046,987
Health Services	273,903	-	-	-	273,903
Student & Instruction Related Services	1,722,041	2,657,747	-	-	4,379,788
General Administrative	562,423	-	-	-	562,423
School Administrative Services	656,569	-	-	-	656,569
Central Services	321,341	-	-	-	321,341
Administrative Information Technology	173,861	-	-	-	173,861
Plant Operations & Maintenance	2,722,503	-	-	-	2,722,503
Pupil Transportation	1,043,297	-	-	-	1,043,297
Unallocated Benefits	4,197,055	-	-	-	4,197,055
On Behalf TPAF Pension and Social Security Contributions					
Security Contributions	5,091,074	-	-	-	5,091,074
Transfer to Charter Schools	70,479	-	-	-	70,479
Capital Outlay	65,966	425,041	109,257	-	600,264
Debt Service:					
Principal	-	-	-	1,295,000	1,295,000
Interest & Other Charges	-	-	-	505,515	505,515
Cost of Issuances	-	-	-	154,858	154,858
Total Expenditures	26,961,751	4,556,775	109,257	1,955,373	33,583,156
Excess/(Deficiency) of Revenues Over Expenditures	(406,470)	(281,250)	(109,257)	(123,398)	(920,375)
Other Financing Sources (Uses):					
Transfers In	-	515,912	-	-	515,912
Transfers Out	(515,912)	-	-	-	(515,912)
Refunding Bond Proceeds	-	-	-	10,804,914	10,804,914
Deposit with Escrow Agent	-	-	-	(10,650,056)	(10,650,056)
Total Other Financing Sources (Uses)	(515,912)	515,912	-	154,858	154,858
Net Changes in Fund Balances	(922,382)	234,662	(109,257)	31,460	(765,517)
Fund Balance, July 1	5,687,661	(233,900)	562,817	3	6,016,581
Fund Balance, June 30	\$ 4,765,279	\$ 762	\$ 453,560	\$ 31,463	\$ 5,251,064

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ (765,517)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
	Depreciation Expense	\$ (2,165,569)
	Capital Asset Additions	<u>1,081,174</u>
		(1,084,395)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		125,475
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,435,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Proceeds of Long-Term Debt	(9,815,000)
	Bond Premiums	<u>(989,914)</u>
		(10,804,914)
Advance refunding of debt issues are financing uses in the governmental funds. They are not expenses in the statement of activities; refunding of debt decreases long-term liabilities in the statement of net position.		
		10,625,000
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
	Loss on Refunding	25,057
	Amortization of Premium on Bonds	222,342
	Net Adjustment of Old Premium & Loss on Refunding	626,723
	Amortization of Loss on Bond Refunding	<u>(114,463)</u>
		759,659
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		7,717
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(105,839)</u>
Change in Net Position of Governmental Activities		<u>\$ 192,186</u>

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

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Proprietary Funds

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**EATONTOWN PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2025**

		<u>MAJOR FUNDS</u>
		<u>BUSINESS-TYPE</u>
		<u>ACTIVITIES -</u>
		<u>ENTERPRISE</u>
		<u>FUNDS</u>
		<u>FOOD</u>
		<u>SERVICE</u>
ASSETS		
Current Assets:		
Cash & Cash Equivalents	\$	53,733
Accounts Receivable:		
Federal		28,154
State		1,538
Other Receivables		48,434
Inventories		10,078
Total Current Assets		<u>141,937</u>
Noncurrent Assets:		
Capital Assets		239,856
Less: Accumulated Depreciation		<u>(87,340)</u>
Total Capital Assets, Net		<u>152,516</u>
Total Noncurrent Assets		<u>152,516</u>
Total Assets		<u>294,453</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable		40,087
Unearned Revenue		<u>5,208</u>
Total Current Liabilities		<u>45,295</u>
NET POSITION		
Investment in Capital Assets		152,516
Unrestricted		<u>96,642</u>
Total Net Position	\$	<u><u>249,158</u></u>

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

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

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 105,963
Daily Sales - Non-Reimbursable Programs	1,470
	107,433
Total Operating Revenues	107,433
Operating Expenses:	
Cost of Sales - Reimbursable Programs	146,306
Cost of Sales - Non-Reimbursable Programs	59,759
Salaries	185,664
Employee Benefits	57,602
Depreciation	21,424
Other	119,599
	590,354
Total Operating Expenses	590,354
Operating Income/(Loss)	(482,921)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Breakfast Program	2,721
State School Lunch Program	14,363
Summer-EBT Administrative Cost Grant	322
Federal Sources:	
National School Lunch Program	282,222
National School Breakfast Program	65,600
Local Food for Schools Co-Op	2,737
Summer-EBT Administrative Cost Grant	322
Food Distribution Program	57,669
	425,956
Total Nonoperating Revenues/(Expenses)	425,956
Change in Net Position	(56,965)
Total Net Position - Beginning	306,123
Total Net Position - Ending	\$ 249,158

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS
	BUSINESS-TYPE
	ACTIVITIES -
	ENTERPRISE
	FUNDS
	FOOD
	SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 127,933
Payments to Employees	(185,664)
Payments for Employee Benefits	(57,602)
Payments to Suppliers	(259,226)
	(374,559)
Net Cash Provided by/(Used for) Operating Activities	(374,559)
Cash Flows From Noncapital Financing Activities:	
State Sources	20,143
Federal Sources	348,144
	368,287
Net Cash Provided by/(Used for) Noncapital Financing Activities	368,287
Cash Flows From Capital & Related Financing Activities:	
Purchases of Capital Assets	(62,090)
	(62,090)
Net Cash Provided by/(Used for) Capital & Related Financing Activities	(62,090)
Net Increase/(Decrease) in Cash & Cash Equivalents	(68,362)
Balances - Beginning of Year	122,095
Balances - End of Year	\$ 53,733
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (482,921)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	21,424
Food Distribution Program	57,669
(Increase)/Decrease in Accounts Receivable, Net	20,610
(Increase)/Decrease in Inventories	(675)
Increase/(Decrease) in Unearned Revenue	(110)
Increase/(Decrease) in Accounts Payable	9,444
	108,362
Total Adjustments	108,362
Net Cash Provided/(Used) by Operating Activities	\$ (374,559)
Non-Cash Activity (Donated Commodities)	\$ 57,669

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

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Fiduciary Fund
Not Applicable

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EATONTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

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**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels Preschool through 8th grade. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2025 of 952 students.

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

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

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

Component Units

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

C. Proprietary Fund Financial Statements

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

The School District reports the following major proprietary funds:

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

D. Fiduciary Fund Financial Statements

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

The School District has no Fiduciary Funds.

Budgets/Budgetary Control

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

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Tuition Receivable/Payable

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

Inventories

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

Interfund Receivables/Payables

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

Capital Assets

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

Pension and Other Post-Employment Benefits Section

For purposes of measuring the net pension and other post-employment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits, and pension and other post-employment benefits expenses, information about the fiduciary net position of the Public Employees' Retirement System (PERS), the Teacher's Pension and Annuity Fund (TPAF), the Other Post-Employment Benefits (OPEB) and additions to/deductions from the PERS's, TPAF's and OPEB's fiduciary net position have been determined on the same basis as they are reported by the plan. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Net Position

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

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

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and January 15, 2026, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

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

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

Accounting Pronouncements Effective in Future Reporting Periods

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

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

Property Tax Information

Property Tax Reveune's are collected in quarterly installments. 2024/2025 tax bills were mailed out July of 2024. 2025/2026 tax bills were mailed out July of 2025. Each quarter is due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the District's annual budget, but also the amounts required in support of the budgets of the County of Monmouth and the Borough of Eatontown. Unpaid property taxes are subject to tax sale in accordance with statutes. The 2025 Tax Sale was conducted in October of 2025 & the 2024 Tax Sale was held in October of 2024.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District's bank balance of \$5,710,291 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	5,586,909
Uninsured and Uncollateralized		123,382
		123,382
Total	\$	5,710,291

Investments

The School District had no investments at June 30, 2025.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2024	\$	961,035
Increased by:		
Interest Earnings		15,222
Return of Unused Funds		261,034
Deposits Approved by Board		18,298
		1,255,589
Decreased by:		
Budget Withdrawals		(327,000)
Ending Balance, June 30, 2025	\$	928,589

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 is \$11,800,000. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District’s Long Rang Facilities Plan.

Unemployment Claim Reserve

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

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

Beginning Balance, July 1, 2024	\$	81,449
Increased by:		
Interest Earnings		2,090
		83,539
Decreased by:		
Unemployment Payments		(20,804)
Ending Balance, June 30, 2025	\$	62,735

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

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

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

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

Beginning Balance, July 1, 2024	\$	936,117
Increased by:		
Return of Unused Funds		440,000
		1,376,117
Decreased by:		
Budget Withdrawals		(440,000)
		\$ 936,117
Ending Balance, June 30, 2025		

Note 4. Accounts Receivable

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

<u>Description</u>	Governmental Funds			Total Governmental Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	
Federal Awards	\$ 7,057	\$ 108,503	\$ -	\$ 115,560
State Awards	426,223	-	-	426,223
Other	107,595	5,851	-	113,446
Total	\$ 540,875	\$ 114,354	\$ -	\$ 655,229

<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	Food Service Fund		
Federal Awards	\$ 28,154	\$ 28,154	\$ 28,154
State Awards	1,538	1,538	1,538
Other	48,434	48,434	48,434
Total	\$ 78,126	\$ 78,126	\$ 78,126

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 5. Capital Assets

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

	Governmental Activities			Balance June 30, 2025
	Balance July 1, 2024	Additions	Retirements and Transfers	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,375,200	\$ -	\$ -	\$ 2,375,200
Total Capital Assets not being depreciated	2,375,200	-	-	2,375,200
Capital Assets being depreciated:				
Land Improvements	1,699,563.00	-	-	1,699,563.00
Buildings and Improvements	42,413,387	181,223	-	42,594,610
Equipment	3,354,335	899,951	(62,480)	4,191,806
Total Capital Assets being depreciated	47,467,285	1,081,174	(62,480)	48,485,979
Less: Accumulated Depreciation:				
Land Improvements	(1,261,551)	(84,978)	-	(1,346,529)
Buildings and Improvements	(17,599,284)	(1,700,160)	-	(19,299,444)
Equipment	(2,456,571)	(380,431)	62,480	(2,774,522)
Total Accumulated Depreciation	(21,317,406)	(2,165,569)	62,480	(23,420,495)
Total Capital Assets being depreciated, net	26,149,879	(1,084,395)	-	25,065,484
Total Governmental Activities Capital Assets, net	\$ 28,525,079	\$ (1,084,395)	\$ -	\$ 27,440,684
Business-Type Activities				
	Business-Type Activities			Balance June 30, 2025
	Balance July 1, 2024	Additions	Retirements and Transfers	
Business-Type Activities:				
Equipment	\$ 183,198	\$ 62,090	\$ (5,432)	\$ 239,856
Total Capital Assets being depreciated	183,198	62,090	(5,432)	239,856
Less: Accumulated Depreciation:				
Equipment	(71,348)	(21,424)	5,432	(87,340)
Total Capital Assets being depreciated, net	(71,348)	(21,424)	5,432	(87,340)
Total Business-Type Activities Capital Assets, net	\$ 111,850	\$ 40,666	\$ -	\$ 152,516

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 5. Capital Assets (Continued)

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

<u>Governmental Activities</u>	
Instruction:	
Regular Instruction	\$ 648,876
Special Education Instruction	288,056
Other Instruction	111,252
Support Services:	
Tuition	104,635
Student & Instruction Related Services	465,085
General Administrative	56,208
School Administrative Services	65,617
Central Services	32,114
Administrative Info. Technology	17,375
Plant Operations & Maintenance	272,084
Pupil Transportation	104,267
	104,267
Total Depreciation Expense - Governmental Activities	\$ 2,165,569

Note 6. Interfund Receivables, Payables and Transfers

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 509,212
Special Revenue Fund	100,939	-
Capital Projects	408,273	-
	\$ 509,212	\$ 509,212

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

During the year ended June 30, 2025 the District transferred \$515,912 from the General Fund to the Special Revenue Fund.

Note 7. Long-Term Obligations

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

	Balance			Balance	Balance
	<u>June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 11,920,000	\$ 9,815,000	\$ 11,920,000	\$ 9,815,000	\$ 1,215,000
Financed Purchases Payable	3,795,000	-	140,000	3,655,000	150,000
Unamortized Bond					
Premiums	2,068,236	989,914	1,762,685	1,295,465	143,227
Compensated Absences	756,159	105,839	-	861,998	-
Net Pension Liability	2,699,360	552,466	671,095	2,580,731	-
	\$ 21,238,755	\$ 11,463,219	\$ 14,493,780	\$ 18,208,194	\$ 1,508,227

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 7. Long-Term Obligations (Continued)

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

Bonds Payable

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

During December 2024, the School District issued \$9,815,000 of Refunding Bonds to advance refunding of Series 2014 Bonds of \$10,625,000. The Refunding Bonds were issued at an interest rate of 5.00% and mature on December 1, 2032.

Fiscal Year Ending	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2026	\$	1,215,000	\$	460,375	\$	1,675,375
2027		1,215,000		399,625		1,614,625
2028		1,240,000		338,250		1,578,250
2029		1,235,000		276,375		1,511,375
2030		1,235,000		214,625		1,449,625
2031-2033		3,675,000		275,125		3,950,125
		\$ 9,815,000		\$ 1,964,375		\$ 11,779,375
		\$ 9,815,000		\$ 1,964,375		\$ 11,779,375

Financed Purchases Payable

In September 2021, the School District entered into a financed purchase agreement for an Energy Savings Improvement Plan (ESIP) valued at \$4,290,000. The following is a schedule of the remaining future minimum financed purchase payments, and the present value of the net minimum financed purchase payments at June 30,:

Fiscal Year End	<u>June 30,</u>	<u>Total</u>
2026	\$	261,818
2027		270,518
2028		273,718
2029		281,418
2030		288,518
2031-2035		1,525,915
2036-2060		1,235,908
2041-2042		408,617
Total Minimum Lease Payments		4,546,430
Less: Amount Representing Interest		(891,430)
Present Value of Minimum Lease Payments	\$	3,655,000

Amortization of the leased equipment and improvements under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

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

Components of Net Pension Liability - At June 30, 2025, the School District's proportionate share of the net pension liability was \$2,580,731. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was 0.0189926591%, which was an increase of 0.0003563015% from its proportion measured as of June 30, 2023.

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2025, the School District's proportionate share of the PERS expense/(credit), calculated by the plan as of June 30, 2024 is \$132,964. This expense/(credit) is recognized by the School District in the government-wide financial statements.

At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 51,697	\$ 6,871
Changes of Assumptions	3,206	29,363
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	119,661
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	252,703	45,049
School District contributions subsequent to measurement date	292,270	-
	\$ 599,876	\$ 200,944

\$292,270 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer pension contribution rate of 16.36%. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (68,041)
2026	126,314
2027	(7,247)
2028	13,372
2029	42,264
	\$ 106,662

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$8,320.

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

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 3,458,022	\$ 2,580,731	\$ 1,874,371

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

Actuarial Valuation Date	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 812,747,880	\$ 1,080,204,730
Collective Deferred Inflows of Resources	983,025,360	1,780,216,457
Collective Net Pension Liability	13,702,423,985	14,606,489,066
School District's portion	0.01899%	0.01864%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

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

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

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

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability - At June 30, 2025, the State's proportionate share of the TPAF net pension liability, attributable to the School District was \$39,089,443. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0790882328%, which was a decrease of 0.0013142618% from its proportion measured as of June 30, 2023.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense(benefit) in the amount of \$(142,592) for the State’s proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
 Salary Increases:	 2.75% - 4.25% Based on Years of Service
 Investment Rate of Return	 7.00%

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

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

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

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 46,463,337	\$ 39,089,443	\$ 32,879,230

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 1,178,433,819	\$ 2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
State's Proportionate Share associated with the District	0.0791%	0.0804%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 8. Pension Plans (Continued)

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

For the year ended June 30, 2025, the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$17,893.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

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

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

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

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

OPEB Obligations and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2023 was \$58,264,516. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.09767628%, which was a decrease of 0.00115275% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$817,400 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

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

Discount Rate

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

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

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

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 68,240,227	\$ 58,264,516	\$ 50,241,974
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

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

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

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 48,534,766	\$ 58,264,516	\$ 70,938,157
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

* See Healthcare Cost Trend Assumptions for details of rates.

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2025 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 6,378,932,312.00	\$ 11,139,706,892.00
Change in Assumptions	10,004,978,073.00	11,662,607,882.00
Contributions Made in Fiscal Year Ending 2024 After Measurement Date	TBD	N/A
	\$ 16,383,910,385	\$ 22,802,314,774

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

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

** Employer Contributions made after June 30, 2025 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2024, the Program membership consisted of the following:

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

Changes in the Total OPEB Liability

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

Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Changes of Benefit Terms	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	(1,499,600,607)
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	52,361,668,239
Total OPEB Liability (Ending)	\$ 59,650,630,530
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$3,365,655, \$740,233, \$983,447, and \$1,739, respectively.

Note 11. Risk Management

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Restricted Unemployment Fund Balance</u>	<u>Unemployment Trust Liability</u>
2024-2025	\$ 33,447	\$ -	\$ 67,131	\$ 62,735	\$ -
2023-2024	29,134	2,723	41,524	81,449	14,970
2022-2023	30,803	-	42,778	78,726	27,360

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

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

Property - Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage

Note 12. Contingencies

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

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	Lincoln Investment Planning, Inc.	Valic Investments
The Legend Group	Security Benefit & Life	

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$861,998 at June 30, 2025. This estimate includes leave that is expected to be paid upon separation from service, and vacation and sick leave to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

Note 15. Tax Abatements

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)**

Note 15. Tax Abatements (Continued)

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 was \$1,100,000.

Note 17. Fund Balances

General Fund – Of the \$4,765,279 General Fund fund balance at June 30, 2025, \$928,589 has been restricted for the Capital Reserve Account; \$936,117 has been restricted for the Maintenance Reserve Account; \$62,735 has been restricted for the Unemployment Reserve Account; \$1,100,000 is restricted for current year excess surplus; \$1,008,849 is restricted for excess surplus - designated for subsequent year's expenditures; \$439,212 is assigned for other purposes; \$289,777 is unassigned.

Special Revenue Fund – Of the \$762 Special Revenue Fund fund balance at June 30, 2025, \$12,298 has been restricted for the Student Activities Reserve Account, \$5,379 has been restricted for the Scholarship Reserve Account and (\$16,915) is unassigned.

Capital Projects Fund – Of the \$453,560 Capital Projects Fund fund balance at June 30, 2025, \$453,560 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$31,463 Debt Service Fund fund balance at June 30, 2025, \$31,463 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of (\$3,142,369) at June 30, 2025. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2025. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 19. Commitments

The District has contractual commitments at June 30, 2025 to various vendors, which are recorded in the General Fund as Fund Balance Assigned to Other Purposes in the amount of \$439,212.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 19,110,091	\$ -	\$ 19,110,091	\$ -
Tuition From Other LEAs Within State	-	1,350	1,350	-
Unrestricted Miscellaneous Revenues	62,121	348,326	410,447	(342,018)
Interest Earned on Maintenance Reserve	250	-	250	(250)
Interest Earned on Capital Reserve Funds	50	-	50	(50)
Total Local Sources	19,172,512	349,676	19,522,188	(342,318)
State Sources:				
Categorical Transportation Aid	259,295	-	259,295	-
Extraordinary Aid	328,875	-	328,875	20,219
Categorical Special Education Aid	786,880	-	786,880	-
Equalization Aid	445,445	-	445,445	-
Categorical Security Aid	284,164	-	284,164	-
Other State Aids	-	139,773	139,773	-
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	3,365,655
TPAF Social Security (reimbursed)	-	-	-	740,233
TPAF Post Retirements	-	-	-	983,447
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,739
Total State Sources	2,104,659	139,773	2,244,432	5,111,293
Federal Sources:				
Medicaid Reimbursement	65,540	(65,540)	-	-
FFCRA/SEMI Revenue/ARRA/SEMI Revenue	-	77,487	77,487	(51,052)
Total Federal Sources	65,540	11,947	77,487	(51,052)
Total Revenues	21,342,711	501,396	21,844,107	4,717,923

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Current Expense:						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	11-110-100-101	369,873	35,347	405,220	364,871	40,349
Grades 1-5 - Salaries of Teachers	11-120-100-101	2,877,126	(227,759)	2,649,367	2,510,878	138,489
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,541,732	(23,035)	1,518,697	1,503,792	14,905
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	6,000	(2,377)	3,623	-	3,623
Purchased Professional - Educational Services	11-150-100-320	2,500	5,891	8,391	6,728	1,663
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	143,567	15,788	159,355	150,511	8,844
Purchased Professional - Educational Services	11-190-100-320	8,508	(8,158)	350	350	-
Purchased Technical Services	11-190-100-340	123,103	3,179	126,282	110,263	16,019
Other Purchased Services	11-190-100-500	21,850	(1,719)	20,131	18,421	1,710
General Supplies	11-190-100-610	361,923	(1,028)	360,895	318,026	42,869
Textbooks	11-190-100-640	105,000	14,304	119,304	34,892	84,412
Total Regular Programs - Instruction		5,561,182	(189,567)	5,371,615	5,018,732	352,883
Special Education - Instruction:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,175,251	248,318	1,423,569	1,057,104	366,465
Other Salaries for Instruction	11-204-100-106	356,790	67,872	424,662	424,662	-
Purchased Professional - Educational Services	11-204-100-320	-	5,231	5,231	5,231	-
General Supplies	11-204-100-610	9,200	(4,314)	4,886	3,557	1,329
Textbooks	11-204-100-640	7,791	(5,632)	2,159	1,906	253
Total Learning and/or Language Disabilities		1,549,032	311,475	1,860,507	1,492,460	368,047
Special Education - Instruction:						
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	968,704	48,925	1,017,629	994,921	22,708
Other Salaries	11-213-100-106	75,439	(955)	74,484	74,484	-
General Supplies	11-213-100-610	5,000	(1,366)	3,634	3,542	92
Textbooks	11-213-100-640	8,000	(6,227)	1,773	1,431	342
Total Resource Room/Resource Center		1,057,143	40,377	1,097,520	1,074,378	23,142
Special Education - Instruction:						
Preschool Disabilities - Full-Time:						
Salaries of Teachers	11-216-100-101	169,339	(8,478)	160,861	160,861	-
Other Salaries for Instruction	11-216-100-106	114,161	24,484	138,645	138,237	408
Total Preschool Disabilities - Full-Time		283,500	16,006	299,506	299,098	408

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:				
Home Instruction:				
Salaries of Teachers	3,800	12,580	16,380	-
Purchased Professional - Educational Services	3,800	(3,750)	50	50
Total Home Instruction	7,600	8,830	16,430	50
Total Special Education - Instruction	2,897,275	376,688	3,273,963	391,647
Basic Skills/Remedial - Instruction:				
Salaries of Teachers	630,324	(47,401)	582,923	1,008
General Supplies	1,000	-	1,000	393
Total Basic Skills/Remedial - Instruction	631,324	(47,401)	583,923	1,401
Bilingual Education - Instruction:				
Salaries of Teachers	315,126	(75,764)	239,362	591
Purchased Technical Services	1,000	-	1,000	1,000
Total Bilingual Education - Instruction	316,126	(75,764)	240,362	1,591
School-Sponsored Cocurricular/Extra				
Curricular Activities - Instruction:				
Salaries	81,533	14,249	95,782	43,796
Purchased Services	350	-	350	350
Supplies and Materials	300	-	300	300
Other Objects	6,288	515	6,803	5,090
Total School-Sponsored Cocurricular/Extra	88,471	14,764	103,235	49,536
School-Sponsored Athletics - Instruction:				
Salaries	50,124	2,618	52,742	-
Purchased Services	9,909	(752)	9,157	2,687
Supplies and Materials	4,910	752	5,662	90
Other Objects	1,135	-	1,135	55
Total School-Sponsored Athletics - Instruction	66,078	2,618	68,696	2,832

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Summer School - Instruction:					
Other Salaries of Instruction	11-424-100-106	-	4,500	4,500	-
Salaries of Reading Specialists	11-424-100-179	83,956	83,892	167,848	-
Total Summer School - Instruction		113,956	88,392	202,348	30,000
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	60,000	178,659	238,659	69,102
Tuition to Other LEAs Within State - Special	11-000-100-562	65,000	53,736	118,736	532
Tuition to Private School Disabled - Within State	11-000-100-566	855,540	(85,952)	769,588	10,362
Total Undistributed Expenditures - Instruction (Tuition)		980,540	146,443	1,126,983	79,996
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	267,616	23,578	291,194	59,502
Purchased Professional & Technical Services	11-000-213-300	11,570	31,289	42,859	5,620
Other Purchased Services	11-000-213-500	12,000	(2,789)	9,211	9,211
Supplies and Materials	11-000-213-600	3,313	-	3,313	619
Supplies - Menstrual Products	11-000-213-616	-	2,278	2,278	-
Total Undistributed Expenditures - Health Services		294,499	54,356	348,855	74,952
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	322,142	5,946	328,088	708
Purchased Professional - Educational Services	11-000-216-320	8,000	36,178	44,178	78
Supplies and Materials	11-000-216-600	2,400	(629)	1,771	407
Other Objects	11-000-216-800	1,600	(800)	800	300
Total Undistributed Expenditures - Speech, OT, PT and Related Services		334,142	40,695	374,837	1,493
Undistributed Expenditures - Other Support Services - Extra Services:					
Purchased Professional - Educational Services	11-000-217-320	94,702	1,585	96,287	830
Total Undistributed Expenditures - Other Support Services - Extra Services		94,702	1,585	96,287	830

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	427,627	(145,731)	281,896	-
Other Salaries	11-000-218-110	645	953	1,598	-
Supplies and Materials	11-000-218-600	2,100	412	2,512	822
Total Undistributed Expenditures - Guidance		430,372	(144,366)	286,006	822
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	568,231	6,368	574,599	-
Salaries of Secretaries & Clerical Assistants	11-000-219-105	55,691	473	56,164	1
Other Purchased Prof. and Tech. Services	11-000-219-390	30,336	-	30,336	7,232
Other Purchased Services	11-000-219-500	800	-	800	365
Supplies and Materials	11-000-219-600	9,090	4,425	13,515	2,200
Other Objects	11-000-219-800	400	-	400	250
Total Undistributed Expenditures - Child Study Teams		664,548	11,266	675,814	10,048
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	132,364	(13,942)	118,422	82,728
Salaries of Other Professional Staff	11-000-221-104	1,002	-	1,002	516
Other Salaries	11-000-221-110	24,633	-	24,633	9,609
Sal. of Fac., Math, Literacy Coaches	11-000-221-176	37,800	(800)	37,000	14,175
Supplies and Materials	11-000-221-600	1,000	223	1,223	122
Other Objects	11-000-221-800	178	577	755	530
Total Undistributed Expenditures - Improvement of Instruction Services		196,977	(13,942)	183,035	108,659
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	147,508	(3,092)	144,416	2,639
Supplies and Materials	11-000-222-600	9,750	-	9,750	7,018
Total Undistributed Expenditures - Educational Media Services/Library		157,258	(3,092)	154,166	148,795
					5,371

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Instructional Staff Training Services:				
Other Purchased Services	24,091	22,812	46,903	2,067
Total Undistributed Expenditures - Instructional Staff Training Services	24,091	22,812	46,903	2,067
Undistributed Expenditures - Support Services - General Administration:				
Salaries	269,884	4,011	273,895	-
Legal Services	37,427	21,739	59,166	3,429
Audit Fees	42,500	1,200	43,700	-
Architectural/Engineering Services	76,367	36,150	112,517	21,776
Other Purchased Professional Services	18,412	11,724	30,136	-
Communications/Telephone	59,646	(16,990)	42,656	280
BOE Other Purchased Professional Services	5,275	(2,530)	2,745	-
Other Purchased Services	500	2,591	3,091	-
Miscellaneous Expenditures	14,440	(3,667)	10,773	-
BOE Membership Dues and Fees	9,500	(271)	9,229	-
Total Undistributed Expenditures - Support Services - General Administration	533,951	53,957	587,908	25,485
Undistributed Expenditures - Support Services - School Administration:				
Salaries of Principals/Assistant Principals	454,310	50,000	504,310	54,260
Salaries of Secretaries & Clerical Assistants	198,542	(1,454)	197,088	1,836
Other Purchased Services	500	(20)	480	226
Supplies and Materials	8,935	469	9,404	1,951
Other Objects	4,000	-	4,000	440
Total Undistributed Expenditures - Support Services - School Administration	666,287	48,995	715,282	58,713

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Central Services:				
Salaries	296,314	11,833	308,147	288,146
Purchased Professional Services	5,250	(179)	5,071	4,374
Miscellaneous Purchased Services	13,800	(4,930)	8,870	7,258
Supplies and Materials	12,426	2,720	15,146	13,627
Miscellaneous Expenditures	10,075	(844)	9,231	7,936
Total Undistributed Expenditures - Central Services	337,865	8,600	346,465	321,341
Undistributed Expenditures - Administrative Information Technology:				
Salaries	154,628	19,233	173,861	173,861
Total Undistributed Expenditures - Administrative Information Technology	154,628	19,233	173,861	173,861
Undistributed Expenditures - Required Maintenance for School Facilities:				
Cleaning, Repair & Maintenance Services	1,136,923	154,584	1,291,507	1,228,211
Lead Testing of Drinking Water	10,075	(10,075)	-	-
General Supplies	37,350	(4,500)	32,850	25,463
Other Objects	11,840	2,100	13,940	12,386
Total Undistributed Expenditures - Required Maintenance for School Facilities	1,196,188	142,109	1,338,297	1,266,060
Undistributed Expenditures - Custodial Services:				
Salaries	125,937	551	126,488	126,488
Salaries of Non-Instructional Aides	73,957	(21,541)	52,416	51,420
Cleaning, Repair & Maintenance Services	377,369	(79,103)	298,266	298,266
Rental of Land & Bldg. Other Than Lease Purch.	21,723	24,140	45,863	44,030
Other Purchased Property Services	68,869	11,860	80,729	64,789
Insurance	259,353	(55,400)	203,953	203,913
General Supplies	53,000	(10,000)	43,000	32,520
Energy (Natural Gas)	179,996	13,000	192,996	149,440
Energy (Electricity)	327,074	17,507	344,581	221,841
Interest - Energy Savings Impr Prog Bonds	117,619	-	117,619	117,619
Principal - Energy Savings Impr Prog Bonds	140,000	-	140,000	140,000
Total Undistributed Expenditures - Custodial Services	1,744,897	(98,986)	1,645,911	1,450,326
Total Undistributed Expenditures - 195,585				

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Care and Upkeep of Grounds: General Supplies	4,800	-	4,800	2,438
Total Undistributed Expenditures - Care and Upkeep of Grounds	4,800	-	4,800	2,438
Security: Purchased Professional and Technical Services General Supplies	7,000	(500)	6,500	2,745
	4,500	(4,500)	-	-
Total Security	11,500	(5,000)	6,500	2,745
Undistributed Expenditures - Student Transportation Services: Salaries of Non-Instructional Aides	69,267	(3,488)	65,779	4,355
Salaries of Pupil Transportation (Between Home & School) - Regular	71,054	6,449	77,503	4,772
Sal for Pupil Trans (Bet Home & Sch)- Sp Ed	63,728	(5,796)	57,932	3,274
Other Retirement Contributions - PERS	4,409	-	4,409	244
Cleaning, Repair and Maintenance Services	8,000	750	8,750	245
Contract Services - Aid in Lieu Payments - Non Public Schools	90,870	(45,951)	44,919	18,561
Contract Services (Between Home & School) - Vendors	413,031	155,871	568,902	43,471
Contract Services (Other Than Between Home & School) - Vendors	55,000	8,132	63,132	721
Contract Services (Between Home & School) - Joint Agreement	130,816	33,910	164,726	45,323
Contract Services (Special Education) - ESCs & CTSAs	167,201	(71,487)	95,714	36,749
General Supplies	18,872	8,465	27,337	15,477
Transportation Supplies	30,000	-	30,000	12,847
Miscellaneous Expenditures	16,004	5,458	21,462	1,229
Other Objects	5,458	(5,458)	-	-
Total Undistributed Expenditures - Student Transportation Services	1,143,710	86,855	1,230,565	187,268

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:				
Social Security Contributions	185,385	(6,000)	179,385	168,543
TPAF Contributions - ERIP	71,000	(6,446)	64,554	32,050
Other Retirement Contributions - PERS	297,652	(20,000)	277,652	232,485
Unemployment Compensation	21,000	(2,283)	18,717	-
Workmen's Compensation	191,496	(27,717)	163,779	90,626
Health Benefits	3,923,605	(11,044)	3,912,561	3,411,036
Tuition Reimbursement	33,900	1,055	34,955	32,734
Other Employee Benefits	162,385	64,945	227,330	210,864
Total Unallocated Benefits	4,886,423	(7,490)	4,878,933	4,197,055
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	3,365,655
TPAF Social Security (reimbursed)	-	-	-	740,233
TPAF Post Retirements	-	-	-	983,447
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	1,739
Total Undistributed Expenditures	13,857,378	364,030	14,221,408	17,811,054
Total Expenditures - Current Expense	23,531,790	533,760	24,065,550	26,825,306
Capital Outlay:				
Facilities Acquisition & Construction Services:				
Construction Services	327,000	-	327,000	65,966
Total Facilities Acquisition & Construction Services	327,000	-	327,000	65,966
Total Capital Outlay	327,000	-	327,000	65,966
Total Expenditures	23,858,790	533,760	24,392,550	26,891,272

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(2,516,079)	(32,364)	(2,548,443)	(329,242)
Other Financing Sources/(Uses):				
Transfers In/(Out):				
Local Contribution - Transfer to Special Revenue Fund - Regular	(515,912)	-	(515,912)	(515,912)
Transfer of Funds to Charter Schools	(145,000)	32,364	(112,636)	(70,479)
Increase in Capital Reserve/Interest Deposits	(50)	-	(50)	-
Increase in Maintenance Reserve	(250)	-	(250)	-
Total Other Financing Sources/(Uses)	(661,212)	32,364	(628,848)	(586,391)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	(3,177,291)	-	(3,177,291)	(915,633)
Fund Balances, July 1	5,857,676	-	5,857,676	5,857,676
Fund Balances, June 30	\$ 2,680,385	\$ -	\$ 2,680,385	\$ 4,942,043
				\$ 2,261,658

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 928,589
Maintenance Reserve	936,117
Excess Surplus	1,100,000
Excess Surplus Designated for Subsequent Year's Expenditures	1,008,849
Unemployment Reserve	62,735
Assigned Fund Balance:	
Year-End Encumbrances	439,212
Unassigned Fund Balance	466,541
Subtotal	4,942,043
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(176,764)
Fund Balance per Governmental Funds (GAAP)	\$ 4,765,279

**EATONTOWN PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025**

	JUNE 30, 2025				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ 4,200	\$ 55,790	\$ 59,990	\$ 48,549	\$ 11,441
State Sources	2,217,566	759,690	2,977,256	2,495,646	481,610
Federal Sources	730,133	489,057	1,219,190	1,088,477	130,713
Total Revenues	2,951,899	1,304,537	4,256,436	3,632,672	623,764
Expenditures:					
Instruction:					
Salaries of Teachers	883,333	(105,977)	777,356	766,596	10,760
Other Salaries for Instruction	198,056	(3,384)	194,672	193,880	792
Purchased Professional - Educational Services	-	1,109	1,109	75	1,034
Other Purchased Services (400-500 Series)	300,000	-	300,000	269,518	30,482
General Supplies	23,190	236,522	259,712	243,653	16,059
Total Instruction	1,404,579	128,270	1,532,849	1,473,722	59,127
Support Services:					
Salaries of Other Professional Staff	474,009	27,550	501,559	497,485	4,074
Personal Services - Employee Benefits	392,489	327,962	720,451	583,426	137,025
Purchased Educational Services	1,029,735	253,465	1,283,200	1,175,826	107,374
Other Purchased Services (400-500 Series)	162,799	66,452	229,251	229,251	-
Supplies and Materials	-	25,506	25,506	16,262	9,244
Student Activity	4,000	50,290	54,290	43,788	10,502
Scholarship	200	-	200	200	-
Total Support Services	2,063,232	751,225	2,814,457	2,546,238	268,219
Facilities Acquisition & Construction Services:					
Buildings	-	5,999	5,999	5,999	-
Instructional Equipment	-	364,492	364,492	114,014	250,478
Noninstructional Equipment	-	54,551	54,551	9,981	44,570
Total Facilities Acquisition & Construction Services	-	425,042	425,042	129,994	295,048
Total Expenditures	3,467,811	1,304,537	4,772,348	4,149,954	622,394
Total Outflows	3,467,811	1,304,537	4,772,348	4,149,954	622,394
Other Financing Sources/(Uses):					
Local Contribution - Transfer to Special Revenue Fund - Regular	515,912	-	515,912	515,912	-
Total Other Financing Sources/(Uses)	515,912	-	515,912	515,912	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(1,370)	1,370
Fund Balance, July 1	19,047	-	19,047	19,047	-
Fund Balance, June 30	\$ 19,047	\$ -	\$ 19,047	\$ 17,677	\$ 1,370

RECAPITULATION OF FUND BALANCE

Restricted:	
Student Activities	\$ 12,298
Scholarship	<u>5,379</u>
Total Fund Balance	<u><u>\$ 17,677</u></u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 26,562,030	\$ 3,632,672
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(76,434)
Prior Year	-	483,255
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(176,764)	(16,915)
Prior Year	170,015	252,947
	\$ 26,555,281	\$ 4,275,525
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 26,555,281	\$ 4,275,525
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 26,891,272	\$ 4,149,954
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	406,821
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 26,891,272	\$ 4,556,775

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.0189926591%	0.0186363576%	0.0167823109%	0.0173674479%	0.0169545294%	0.0166595142%	0.0169989900%	0.0163035523%	0.0169775354%	0.0166434462%
School District's proportionate share of the net pension liability	\$ 2,580,731	\$ 2,699,360	\$ 2,532,682	\$ 2,057,435	\$ 2,764,840	\$ 3,001,792	\$ 3,347,016	\$ 3,795,206	\$ 5,028,259	\$ 3,736,120
School District's covered payroll	\$ 1,557,413	\$ 1,219,697	\$ 1,285,656	\$ 1,256,856	\$ 1,263,333	\$ 1,323,744	\$ 1,095,256	\$ 1,099,454	\$ 1,091,554	\$ 1,134,657
School District's proportionate share of the net pension liability as a percentage of its covered payroll	165.71%	173.32%	172.96%	163.70%	218.85%	226.77%	305.59%	345.19%	460.65%	332.74%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's contractually required contribution	\$ 292,270	\$ 297,652	\$ 249,081	\$ 211,633	\$ 203,393	\$ 185,474	\$ 162,048	\$ 169,085	\$ 151,035	\$ 150,826
Contributions in relation to the contractually required contribution	(292,270)	(297,652)	(211,633)	(211,633)	(203,393)	(185,474)	(162,048)	(169,085)	(151,035)	(150,826)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 1,764,979	\$ 1,557,413	\$ 1,219,697	\$ 1,285,656	\$ 1,256,856	\$ 1,263,333	\$ 1,323,744	\$ 1,095,256	\$ 1,099,454	\$ 1,091,554
Contributions as a percentage of covered payroll	16.56%	19.11%	16.18%	14.68%	12.24%	15.44%	13.74%	13.82%	12.74%	11.85%

EATONTOWN PUBLIC SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 39,089,443	\$ 41,031,539	\$ 42,543,900	\$ 38,594,767	\$ 55,346,466	\$ 50,567,904	\$ 52,066,165	\$ 57,751,877	\$ 67,092,202	\$ 56,226,648
School District's covered payroll	\$ 10,327,106	\$ 9,874,519	\$ 9,439,687	\$ 9,442,287	\$ 9,205,583	\$ 9,159,789	\$ 8,781,048	\$ 8,563,216	\$ 8,563,216	\$ 8,503,244
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plus fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

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

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

	2025	2024	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability								
Service Cost	\$ 1,649,930	\$ 1,623,015	\$ 2,066,429	\$ 2,487,453	\$ 1,400,086	\$ 1,350,745	\$ 1,543,342	\$ 1,863,254
Interest Cost	1,917,930	1,822,520	1,316,017	1,533,986	1,579,186	1,931,088	2,091,046	1,816,767
Changes of Benefit Terms	3,764	(86,270)	1,726,146	(62,940)	-	-	-	-
Difference between Expected & Actual Differences				(12,895,924)	10,434,811	(7,526,047)	(5,011,665)	-
Changes of Assumptions	4,358,961	104,304	(13,321,456)	58,340	12,637,130	660,493	(5,646,139)	(7,421,880)
Contributions: Member	50,155	46,705	41,819	39,216	36,505	40,509	45,470	49,037
Gross Benefit Payments	(1,464,754)	(1,420,684)	(1,303,553)	(1,208,552)	(1,204,397)	(1,359,830)	(1,315,635)	(1,331,712)
Net Change in District's Total OPEB Liability	6,515,986	2,089,590	(9,474,598)	(10,048,221)	24,883,321	(4,903,242)	(8,293,581)	(5,024,534)
District's Total OPEB Liability (Beginning)	51,748,530	49,658,940	59,133,538	69,181,759	44,298,438	49,201,680	57,495,261	62,519,795
District's Total OPEB Liability (Ending)	\$ 58,264,516	\$ 51,748,530	\$ 49,658,940	\$ 59,133,538	\$ 69,181,759	\$ 44,298,438	\$ 49,201,680	\$ 57,495,261
District's Covered Employee Payroll	\$ 11,884,519	\$ 10,725,343	\$ 10,904,845	\$ 10,699,143	\$ 10,468,916	\$ 10,483,533	\$ 10,464,934	\$ 10,118,096
District's Net OPEB Liability as a Percentage of Payroll	490%	482%	455%	553%	661%	423%	470%	568%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025**

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

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

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

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

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2020	7.30%	2017	7.00%	2014	7.90%
2022	7.00%	2019	7.00%	2016	7.65%		
2021	7.00%	2018	7.00%	2015	7.90%		

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	3.58%
2022	3.54%	2019	2.50%	2016	2.85%

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	Title I	Title IIA	Title III	Title IV	I.D.E.A. - Basic	I.D.E.A. - Preschool
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	269,597	30,833	19,606	21,676	386,265	13,110
Total Revenues	\$ 269,597	\$ 30,833	\$ 19,606	\$ 21,676	\$ 386,265	\$ 13,110
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 100,264	\$ -	\$ 172	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	75	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	269,518	-
General Supplies	54,372	-	9,083	3,996	-	13,110
Total Instruction	154,636	-	9,255	4,071	269,518	13,110
Support Services:						
Salaries of Other Professional Staff	38,988	13,688	4,999	-	-	-
Personal Services - Employee Benefits	64,164	1,047	396	-	-	-
Purchased Educational Services	6,500	15,980	2,001	16,000	116,747	-
Other Purchased Services (400-500 Series)	-	-	2,275	-	-	-
Supplies and Materials	5,309	118	680	1,605	-	-
Student Activity	-	-	-	-	-	-
Scholarship Activity	-	-	-	-	-	-
Total Support Services	114,961	30,833	10,351	17,605	116,747	-
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	269,597	30,833	19,606	21,676	386,265	13,110
Other Financing Sources/(Uses):						
Local Contribution - Transfer to Special Revenue Fund - Regular	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	American Rescue Plan	ARP - Evidence Based Learning Afterschool	ARP - Mental Health Support Staffing	ARP - Accelerated Learning	ARP - Summer Learning	High Impact Tutoring
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Slate Sources	-	-	-	-	-	-
Federal Sources	232,164	10,108	9,591	9,303	40,000	46,224
Total Revenues	\$ 232,164	\$ 10,108	\$ 9,591	\$ 9,303	\$ 40,000	\$ 46,224
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 62,478	\$ -	\$ -	\$ -	\$ 40,000	\$ 26,062
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	115,750	-	-	6,203	-	11,755
Total Instruction	178,228	-	-	6,203	40,000	37,817
Support Services:						
Salaries of Other Professional Staff	6,698	9,288	-	-	-	-
Personal Services - Employee Benefits	5,196	820	-	-	-	1,993
Purchased Educational Services	17,512	-	9,591	3,100	-	6,414
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Supplies and Materials	8,550	-	-	-	-	-
Student Activity	-	-	-	-	-	-
Scholarship Activity	-	-	-	-	-	-
Total Support Services	37,956	10,108	9,591	3,100	-	8,407
Facilities Acquisition & Construction Services:						
Buildings	5,999	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-
Noninstructional Equipment	9,981	-	-	-	-	-
Total Facilities Acquisition & Construction Services	15,980	-	-	-	-	-
Total Expenditures	232,164	10,108	9,591	9,303	40,000	46,224
Other Financing Sources/(Uses):						
Local Contribution - Transfer to Special Revenue Fund - Regular	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Non Public Security Aid	Non Public Ch. 192/193	Non Public Textbook	Non Public Technology	Non Public Nursing
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	48,372	102,471	11,183	10,731	28,407
Federal Sources	-	-	-	-	-
Total Revenues	\$ 48,372	\$ 102,471	\$ 11,183	\$ 10,731	\$ 28,407
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	-	-	11,183	-	-
Total Instruction	-	-	11,183	-	-
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Educational Services	48,372	102,471	-	10,731	28,407
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Student Activity	-	-	-	-	-
Scholarship Activity	-	-	-	-	-
Total Support Services	48,372	102,471	-	10,731	28,407
Facilities Acquisition & Construction Services:					
Buildings	-	-	-	-	-
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	48,372	102,471	11,183	10,731	28,407
Other Financing Sources/(Uses):					
Local Contribution - Transfer to Special Revenue Fund - Regular	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Preschool Education Expansion Aid	Local Recreation Improvement	Various Local Grants	Student Activities	Scholarship Account	Totals
Revenues:						
Local Sources	\$ -	\$ -	\$ 5,931	\$ 42,489	\$ 129	\$ 48,549
State Sources	2,207,482	87,000	-	-	-	2,495,646
Federal Sources	-	-	-	-	-	1,088,477
Total Revenues	\$ 2,207,482	\$ 87,000	\$ 5,931	\$ 42,489	\$ 129	\$ 3,632,672
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 537,620	\$ -	\$ -	\$ -	\$ -	\$ 766,596
Other Salaries for Instruction	193,880	-	-	-	-	193,880
Purchased Professional - Educational Services	-	-	-	-	-	75
Other Purchased Services (400-500 Series)	-	-	-	-	-	269,518
General Supplies	17,554	-	647	-	-	243,653
Total Instruction	749,054	-	647	-	-	1,473,722
Support Services:						
Salaries of Other Professional Staff	423,824	-	-	-	-	497,485
Personal Services - Employee Benefits	509,810	-	-	-	-	583,426
Purchased Educational Services	792,000	-	-	-	-	1,175,826
Other Purchased Services (400-500 Series)	134,692	87,000	5,284	-	-	229,251
Supplies and Materials	-	-	-	-	-	16,262
Student Activity	-	-	-	43,788	-	43,788
Scholarship Activity	-	-	-	-	200	200
Total Support Services	1,860,326	87,000	5,284	43,788	200	2,546,238
Facilities Acquisition & Construction Services:						
Buildings	-	-	-	-	-	5,999
Instructional Equipment	114,014	-	-	-	-	114,014
Noninstructional Equipment	-	-	-	-	-	9,981
Total Facilities Acquisition & Construction Services	114,014	-	-	-	-	129,994
Total Expenditures	2,723,394	87,000	5,931	43,788	200	4,149,954
Other Financing Sources/(Uses):						
Local Contribution - Transfer to Special Revenue Fund - Regular	515,912	-	-	-	-	515,912
Total Other Financing Sources/(Uses)	515,912	-	-	-	-	515,912
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(1,299)	(71)	(1,370)
Fund Balance, July 1	-	-	-	13,597	5,450	19,047
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 12,298	\$ 5,379	\$ 17,677

**EATONTOWN PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

<u>DISTRICT-WIDE TOTALS</u>	2025	2025	Variance
	Budgeted	Actual	
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 539,282	\$ 537,620	\$ 1,662
Salaries of Other Instruction	194,672	193,880	792
General Supplies	17,554	17,554	-
	<hr/>	<hr/>	<hr/>
Total Instruction	751,508	749,054	2,454
	<hr/>	<hr/>	<hr/>
Support Services:			
Salaries	423,824	423,824	-
Employee Benefits	584,791	509,810	74,981
Purchased Professional Services (300 Series)	792,000	792,000	-
Other Purchased Services (400-500 Series)	136,761	134,692	2,069
	<hr/>	<hr/>	<hr/>
Total Support Services	1,937,376	1,860,326	77,050
	<hr/>	<hr/>	<hr/>
Facilities Acquisition & Construction Services:			
Instructional Equipment	114,014	114,014	-
	<hr/>	<hr/>	<hr/>
Total Facilities Acquisition & Construction Services	114,014	114,014	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 2,802,898</u>	<u>\$ 2,723,394</u>	<u>\$ 79,504</u>

SUMMARY OF LOCATION TOTALS

Total revised 2024-25 Preschool Education Aid Allocation	\$ 2,160,493
Add: Budgeted Transfer from General Fund	515,912
Add: Actual PEA Carryover (June 30, 2024)	246,123
	<hr/>
Total Preschool Education Aid Funds Available for the 2024-25 Budget	2,922,528
	<hr/>
Less: 2024-25 Budgeted Preschool Education Aid (Including prior year budget carryover)	(2,802,898)
	<hr/>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2025	119,630
	<hr/>
Add: June 30, 2025 Unexpended Preschool Education Aid	79,504
	<hr/>
2024-25 Carryover - Preschool Education Aid Programs	<u>\$ 199,134</u>
	<hr/>
2024-25 Prechool Education Aid Carryover Budgeted for Prechool Programs 2025-26	<u>\$ 184,592</u>

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F. Capital Projects Fund

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EXHIBIT F-1

EATONTOWN PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2025

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roofing Replacement Project	9/30/2021	\$ 4,678,943	\$ 4,116,126	\$ 109,257	\$ 453,560
Total		\$ 4,678,943	\$ 4,116,126	\$ 109,257	\$ 453,560

**EATONTOWN PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

Expenditures and Other Financing Uses:		
Construction Services	\$	109,257
Total Expenditures and Other Financing Uses		109,257
Excess (Deficiency) of Revenues and Other Financing Sources		
Over (Under) Expenditures and Other Financing Uses		(109,257)
Fund Balance, July 1		562,817
Fund Balance, June 30	\$	453,560

**EATONTOWN PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOFING REPLACEMENT PROJECT
YEAR ENDED JUNE 30, 2025**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Energy Savings Improvement Plan Proceeds	\$ 4,678,943	\$ -	\$ 4,678,943	\$ 4,678,943
Total Revenues and Other Financing Sources	4,678,943	-	4,678,943	4,678,943
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	369,263	-	369,263	333,647
Legal Services	67,283	-	67,283	67,000
Construction Services	3,679,452	109,257	3,788,709	4,278,168
Other Objects	128	-	128	128
Total Expenditures and Other Financing Uses	4,116,126	109,257	4,225,383	4,678,943
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 562,817	\$ (109,257)	\$ 453,560	\$ -

Additional Project Information:

	<u>Name of Project:</u>	
	<u>Roofing Replacement Project</u>	
<u>Project Numbers</u>	Grant Date	9/30/2021
	Bond Authorization Date	9/30/2021
	Bonds Authorized	\$ 4,678,943
	Bonds Issued	\$ 4,678,943
	Original Authorized Cost	\$ 4,678,943
	Revised Authorized Cost	\$ 4,678,943
	Percentage Increase over Original Authorized Cost	0.00%
	Percentage Completion	90.31%
	Original Target Completion Date	6/30/2023
	Revised Target Completion Date	N/A

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I. Long-Term Debt

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**EATONTOWN PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2025**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT						
2024 Refunding Bonds - 2014 Refunding Issue	12/19/2024	\$ 9,815,000	12/1/2025	\$ 1,215,000	5.000%	\$ -	\$ 9,815,000	\$ -	\$ -	\$ 9,815,000
			12/1/2026	1,215,000	5.000%					
			12/1/2027	1,240,000	5.000%					
			12/1/2028	1,235,000	5.000%					
			12/1/2029	1,235,000	5.000%					
			12/1/2030	1,230,000	5.000%					
			12/1/2031	1,225,000	5.000%					
			12/1/2032	1,220,000	5.000%					
2014 Refunding Bonds - 2006 General Improvement Issue	12/1/14	\$ 7,670,000	12/1/2024	\$ 1,295,000	5.000%	11,920,000	-	10,625,000	1,295,000	-
Total							\$ 9,815,000	\$ 10,625,000	\$ 1,295,000	\$ 9,815,000

EXHIBIT I-3

EATONTOWN PUBLIC SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,209,103	\$ 1,209,103	\$ 1,209,103	\$ -
State Sources:				
Debt Service Aid Type II	622,872	622,872	622,872	-
Total Revenues	1,831,975	1,831,975	1,831,975	-
Expenditures:				
Regular Debt Service:				
Interest	536,975	536,975	505,515	31,460
Redemption of Principal	1,295,000	1,295,000	1,295,000	-
Cost of Issuance of Debt	-	-	154,858	(154,858)
Total Regular Debt Service	1,831,975	1,831,975	1,955,373	(123,398)
Total Expenditures	1,831,975	1,831,975	1,955,373	(123,398)
Other Financing Sources/(Uses):				
Refunding Bond Proceeds	-	-	10,804,914	(10,804,914)
Deposit with Escrow Agent	-	-	(10,650,056)	10,650,056
Total Other Financing Sources/(Uses)	-	-	154,858	(154,858)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	31,460	(31,460)
Fund Balance, July 1,	3	3	3	-
Fund Balance, June 30,	\$ 3	\$ 3	\$ 31,463	\$ (31,460)

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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EATONTOWN PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,153,575	\$ 12,332,483	\$ 8,578,281	\$ 5,944,172	\$ 4,946,344	\$ 4,504,614	\$ 3,718,335	\$ 3,020,056	\$ 2,566,955	\$ 3,742,240
Restricted	4,538,990	4,600,455	4,063,931	5,996,447	4,010,099	4,010,146	4,036,141	4,152,378	4,162,347	3,522,483
Unrestricted (Deficit)	(3,142,369)	(2,574,928)	(2,486,594)	(5,838,421)	(3,515,294)	(3,694,477)	(4,044,919)	(4,137,791)	(4,092,430)	(4,616,844)
Total Governmental Activities										
Net Position	\$ 14,550,196	\$ 14,358,010	\$ 10,155,618	\$ 6,102,198	\$ 5,441,149	\$ 4,820,282	\$ 3,709,558	\$ 3,034,643	\$ 2,636,871	\$ 2,647,878
Business-Type Activities:										
Investment in Capital Assets	\$ 152,516	\$ 111,850	\$ 134,722	\$ 22,843	\$ 22,311	\$ 17,285	\$ 19,206	\$ -	\$ -	\$ -
Unrestricted (Deficit)	96,642	194,273	83,244	151,117	101,084	98,120	109,265	120,708	80,038	51,061
Total Business-Type Activities										
Net Position	\$ 249,158	\$ 306,123	\$ 217,966	\$ 173,960	\$ 123,395	\$ 115,405	\$ 128,471	\$ 120,708	\$ 80,038	\$ 51,061
District-Wide:										
Net Investment in Capital Assets	\$ 13,306,091	\$ 12,444,333	\$ 8,713,003	\$ 5,967,015	\$ 4,968,655	\$ 4,521,899	\$ 3,737,541	\$ 3,020,056	\$ 2,566,955	\$ 3,742,240
Restricted	4,538,990	4,600,455	4,063,931	5,996,447	4,010,099	4,010,146	4,036,141	4,152,378	4,162,347	3,522,483
Unrestricted (Deficit)	(3,045,727)	(2,380,655)	(2,403,350)	(5,687,304)	(3,414,210)	(3,596,357)	(3,935,654)	(4,017,083)	(4,012,392)	(4,565,783)
Total District Net Position	\$ 14,799,354	\$ 14,664,133	\$ 10,373,584	\$ 6,276,158	\$ 5,564,544	\$ 4,935,688	\$ 3,838,029	\$ 3,155,351	\$ 2,716,909	\$ 2,698,939

Source: ACFR Schedule A-1

EATONTOWN PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 9,172,716	\$ 8,204,351	\$ 8,337,630	\$ 8,334,942	\$ 8,352,303	\$ 7,608,725	\$ 10,194,067	\$ 11,384,675	\$ 9,798,518	\$ 5,804,105
Special Education	4,072,048	3,552,795	3,544,976	3,445,120	3,577,093	3,260,638	3,867,453	4,347,017	3,254,742	1,879,435
Other Special Education										585,390
Other Instruction	1,572,701	1,342,950	1,272,430	1,214,575	1,082,807	1,058,736	1,512,709	1,863,893	1,205,047	106,045
Support Services:										
Tuition	1,405,085	1,093,425	1,658,507	1,586,896	1,573,522	1,635,889	1,779,016	1,219,954	786,871	445,815
Student & Instruction Related Services	6,245,376	5,309,442	5,032,601	5,001,098	5,213,277	3,816,025	3,418,891	3,475,028	2,881,040	2,525,549
Other Administrative Services	754,787	628,712	599,294	586,193	564,112	507,806	581,189	549,469	497,742	419,603
Central Services	431,248	391,953	403,758	419,462	418,219	385,902	403,214	405,581	347,357	258,416
Administration Information Technology Services	233,325	140,443	-	-	9,937	2,844	5,558	14,748	10,317	13,393
School Administrative Services	881,133	799,806	840,827	890,491	938,942	887,293	910,840	950,851	844,205	630,219
Plant Operations & Maintenance	3,032,205	2,924,933	3,241,472	2,784,345	2,743,229	2,303,947	2,664,873	2,697,657	2,283,368	1,722,143
Pupil Transportation	1,400,132	1,228,844	1,368,411	1,606,970	1,622,019	1,122,060	1,504,600	1,548,051	1,228,626	788,365
Transfer to Charter Schools	-	-	-	80,338	39,660	-	-	-	-	-
Unallocated Benefits	-	-	-	-	-	-	-	-	-	-
Interest & Other Charges	-	496,125	485,297	735,430	701,426	747,360	791,610	814,457	905,658	7,969,907
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	931,910
Total Governmental Activities	-	-	-	-	-	-	-	-	-	1,062,405
Expenses	29,200,756	26,113,779	26,785,203	26,685,860	26,836,547	23,337,224	27,634,020	29,271,381	24,043,492	25,142,698
Business-Type Activities:										
Food Service	590,354	515,061	534,263	584,872	301,847	320,656	411,337	389,403	398,104	375,783
Total Business-Type Activities	590,354	515,061	534,263	584,872	301,847	320,656	411,337	389,403	398,104	375,783
Expense	29,791,110	26,628,840	27,319,466	27,270,732	27,138,394	23,657,880	28,045,357	29,660,784	24,441,596	25,518,482
Total District Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Revenues:										
Charges for Services	5,409,857	-	5,792,371	5,635,007	5,792,004	2,916,442	6,486,647	8,556,628	3,335,728	54,141
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	6,986,151
Total Governmental Activities	5,409,857	-	5,792,371	5,635,007	5,792,004	2,916,442	6,486,647	8,556,628	3,335,728	7,040,292
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	107,433	200,336	156,286	38,900	2,979	88,823	124,812	137,468	127,761	123,848
Operating Grants & Contributions	425,956	421,000	421,983	596,537	306,857	218,767	294,288	292,605	299,320	295,645
Total Business Type Activities	533,389	621,336	578,269	635,437	309,836	307,590	419,100	430,073	427,081	419,493
Program Revenues	\$ 5,943,246	\$ 621,336	\$ 6,370,640	\$ 6,270,444	\$ 6,101,840	\$ 3,224,033	\$ 6,905,748	\$ 8,986,701	\$ 3,762,809	\$ 7,459,785
Total District Program Revenues										

EATONTOWN PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense)/Revenue:										
Governmental Activities	\$ (23,790,899)	\$ (21,500,265)	\$ (20,992,832)	\$ (21,050,853)	\$ (21,044,543)	\$ (20,420,782)	\$ (21,147,373)	\$ (20,714,753)	\$ (20,707,764)	\$ (18,102,406)
Business-Type Activities	(56,965)	106,275	44,006	50,565	7,989	(13,066)	7,763	40,670	28,977	43,710
Total District-Wide Net Expense	\$ (23,847,864)	\$ (21,393,990)	\$ (20,948,826)	\$ (21,000,288)	\$ (21,036,553)	\$ (20,433,847)	\$ (21,139,609)	\$ (20,674,083)	\$ (20,678,787)	\$ (18,058,696)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 19,110,091	\$ 17,388,618	\$ 16,754,274	\$ 16,392,377	\$ 16,070,958	\$ 15,755,841	\$ 15,446,903	\$ 14,992,181	\$ 14,519,827	\$ 13,748,136
Taxes Levied for Debt Service	1,209,103	1,251,838	1,274,278	1,312,640	1,286,109	1,289,936	1,289,343	1,216,839	1,377,311	1,329,458
Grants & Contributions	3,332,250	3,865,197	6,584,642	3,964,106	4,159,635	4,387,863	4,675,459	4,633,132	4,730,498	3,682,077
Tuition Received	1,350	43,323	57,339	-	-	51,337	227,418	224,719	52,779	-
Transportation Charges	-	-	-	11,583	-	-	-	-	-	-
Miscellaneous Income	68,430	658,301	375,719	31,196	32,040	46,529	183,164	45,654	16,342	8,029
Extraordinary Items	261,861	0	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 23,983,085	\$ 23,207,277	\$ 25,046,252	\$ 21,711,902	\$ 21,548,742	\$ 21,531,506	\$ 21,822,288	\$ 21,112,524	\$ 20,696,757	\$ 18,767,700
Total District-Wide	\$ 23,983,085	\$ 23,207,277	\$ 25,046,252	\$ 21,711,902	\$ 21,548,742	\$ 21,531,506	\$ 21,822,288	\$ 21,112,524	\$ 20,696,757	\$ 18,767,700
Change in Net Position:										
Governmental Activities	\$ 192,186	\$ 1,707,012	\$ 4,053,420	\$ 661,049	\$ 504,199	\$ 1,110,724	\$ 674,915	\$ 397,772	\$ (11,007)	\$ 665,294
Business-Type Activities	(56,965)	106,275	44,006	50,565	7,989	(13,066)	7,763	40,670	28,977	43,710
Total District	\$ 135,221	\$ 1,813,287	\$ 4,097,426	\$ 711,614	\$ 512,189	\$ 1,097,658	\$ 682,678	\$ 438,442	\$ 17,970	\$ 709,004

Source: ACFR Schedule A-2

EATONTOWN PUBLIC SCHOOL DISTRICT
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted										
Assigned	\$ 4,036,290	\$ 4,018,588	\$ 2,981,448	\$ 3,088,289	\$ 3,978,351	\$ 4,010,146	\$ 4,036,141	\$ 4,152,378	\$ 4,088,258	\$ 3,620,233
Unassigned	439,212	1,379,153	357,379	698,094	296,536	561,563	161,088	291,408	364,924	725,484
	289,777	289,920	1,995,973	552,987	679,058	205,052	246,453	69,326	52,733	-
Total General Fund	\$ 4,765,279	\$ 5,687,661	\$ 5,334,800	\$ 4,339,370	\$ 4,953,946	\$ 4,776,761	\$ 4,443,682	\$ 4,513,112	\$ 4,505,914	\$ 4,345,717
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 31,463	\$ 3	\$ 3	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 74,089	\$ 74,088
Capital Projects Fund	453,560	562,817	1,068,754	2,893,985	-	-	-	-	-	-
Special Revenue Fund	17,677	19,047	13,726	-	-	-	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	(16,915)	-252,947	(149,699)	(134,083)	(63,682)	-	(31,418)	-	-	-
Total All Other Governmental Funds	\$ 485,785	\$ 328,920	\$ 932,784	\$ 2,759,903	\$ (63,682)	\$ -	\$ (31,418)	\$ -	\$ 74,089	\$ 74,088

Source: ACFR Schedule B-1

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Tax Levy	\$ 20,319,194	\$ 18,640,456	\$ 18,028,552	\$ 17,705,017	\$ 17,357,067	\$ 17,045,777	\$ 16,736,246	\$ 16,209,020	\$ 15,897,138	\$ 15,077,594
Tuition Charges	1,350	43,323	57,339	-	-	51,337	227,418	224,719	52,779	54,141
Miscellaneous	117,148	721,329	394,709	4,738,765	45,603	49,931	191,531	46,844	23,259	14,447
Slate Sources	10,987,823	10,758,521	11,665,050	9,931,030	8,500,948	8,444,904	8,064,529	7,474,068	7,227,155	6,938,113
Federal Sources	1,237,266	1,731,434	2,828,383	1,726,782	1,417,375	956,550	840,518	906,104	832,155	934,455
Total Revenues	32,662,781	31,895,063	32,974,033	34,101,594	27,320,994	26,548,498	26,060,242	24,860,755	24,032,486	23,018,750
Expenditures										
Instruction:										
Regular Instruction	6,492,719	6,206,343	6,037,244	6,005,887	5,827,987	5,681,512	5,843,632	5,895,162	6,321,923	5,804,105
Special Education Instruction	2,882,316	2,687,582	2,566,903	2,489,900	2,500,233	2,434,752	2,216,973	2,250,953	2,099,933	1,879,435
Other Special Instruction	-	-	-	-	-	-	-	-	-	585,390
Other Instruction	1,113,204	1,015,901	921,362	877,812	756,835	790,569	867,143	965,153	777,486	106,045
Support Services:										
Tuition	1,046,987	874,581	1,267,263	1,210,645	1,159,144	1,294,178	1,336,252	860,286	612,046	445,815
Health Services	273,903	276,641	313,018	349,416	327,670	355,188	350,842	352,346	328,317	-
Student & Instruction Related Services	4,379,788	3970,141	3,532,386	3,465,928	3,512,721	2,663,731	2,217,150	2,098,170	1,912,619	2,525,549
Other Administrative Services	562,423	502,878	457,920	447,207	415,557	401,733	436,542	387,474	387,155	419,603
Central Services	321,341	313,505	308,510	320,008	308,084	305,293	302,861	286,007	270,182	258,416
Administration Information										
Technology Services	173,861	112,334	-	-	7,320	2,250	4,175	10,400	8,025	13,393
School Administrative Services	656,569	639,729	642,475	679,357	691,677	701,952	684,149	670,520	656,641	630,219
Plant Operations & Maintenance	2,722,503	2,567,478	2,637,265	2,124,181	2,033,707	1,822,690	2,001,635	1,902,330	1,776,054	1,771,719
Pupil Transportation	1,043,297	982,897	1,045,601	1,225,959	1,194,870	887,680	1,130,133	1,091,652	955,652	788,365
Unallocated Benefits	9,288,129	8,856,990	8,275,033	8,213,763	6,567,727	6,470,963	6,456,459	6,032,456	5,641,689	5,090,072
Transfer to Charter Schools	70,479	-	-	80,338	39,660	-	-	-	-	-
Capital Outlay	600,264	1,242,341	3,870,019	2,413,335	32,318	417,062	359,594	168,787	90,566	109,857
Debt Service:										
Principal	1,295,000	1,295,000	1,265,000	1,260,000	1,165,000	1,125,000	1,080,000	1,040,000	1,050,000	1,000,000
Interest & Other Charges	505,515	601,725	665,723	728,849	783,650	829,450	873,550	915,951	983,998	1,029,000
Cost of Issuances	154,858	-	-	-	-	-	-	-	-	-
Total Expenditures	33,583,156	32,146,066	33,805,722	31,892,585	27,324,159	26,184,002	26,161,090	24,927,647	23,872,286	22,456,982
Other Financing Sources/(Uses):										
Refunding Bond Proceeds	10,804,914	-	-	-	-	-	-	-	-	-
Deposit with Escrow Agent	(10,650,056)	-	-	-	-	-	-	-	-	-
Transfers In	515,912	-	-	-	-	-	-	-	-	-
Transfers Out	(515,912)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	154,858	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (765,517)	\$ (251,003)	\$ (831,689)	\$ 2,209,009	\$ (3,165)	\$ 364,496	\$ (100,848)	\$ (66,891)	\$ 160,200	\$ 561,767
Debt Service as a Percentage of Noncapital Expenditures	5.69%	6.38%	6.24%	6.52%	7.70%	8.06%	8.08%	8.85%	9.29%	9.93%

Source: ACFR Schedule B-2

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

FISCAL YEAR ENDING <u>JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>TUITION FROM OTHER LEA's</u>	<u>TUITION OTHER</u>	<u>TRANSPORTATION FEES</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2025	\$ -	\$ -	\$ 1,350	\$ -	\$ 68,429	\$ 69,779
2024	-	-	43,323	-	327,635	370,958
2023	-	-	57,339	-	375,720	433,059
2022	-	-	-	11,583	31,196	42,779
2021	-	-	-	-	32,040	32,040
2020	-	51,337	-	-	46,529	97,866
2019	-	227,418	-	-	183,164	410,582
2018	-	224,719	-	-	45,654	270,373
2017	12,186	52,779	-	-	4,157	69,122
2016	6,087	54,141	-	-	1,942	62,170
Total	<u>\$ 18,273</u>	<u>\$ 610,394</u>	<u>\$ 102,012</u>	<u>\$ 11,583</u>	<u>\$ 1,116,466</u>	<u>\$ 1,858,728</u>

Source: District Records

Revenue Capacity Information

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

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EATONTOWN PUBLIC SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	OFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2025	\$ 25,982,200	\$ 2,003,718,500	\$ 624,100	\$ 14,500	\$ 891,956,300	\$ 272,224,600	\$ 274,240,500	\$ 3,468,760,700	\$ 236,000	\$ 8,077,151	\$ 3,476,837,851	0.641	\$ 3,876,399,300
2024	26,431,000	1,729,697,400	583,800	14,500	825,283,800	256,315,100	270,171,400	3,108,497,000	261,000	8,037,391	3,116,534,391	0.652	3,507,304,225
2023	20,324,300	1,542,140,900	543,400	14,500	927,624,800	231,546,600	239,883,400	2,962,077,900	N/A	N/A	2,970,187,411	0.628	3,357,603,605
2022	21,332,600	1,301,090,800	472,200	15,900	828,589,900	216,927,000	190,814,300	2,559,242,700	N/A	7,546,692	2,566,789,392	0.703	2,712,786,411
2021	25,897,100	1,129,645,200	436,900	15,900	806,675,500	209,852,700	194,023,000	2,366,546,300	N/A	7,624,430	2,374,170,730	0.747	2,553,807,962
2020	24,664,100	1,090,143,900	427,700	15,900	788,435,400	200,236,000	191,006,800	2,294,929,800	N/A	7,281,331	2,302,211,131	0.754	2,375,913,698
2019	22,456,900	1,059,395,400	418,600	15,900	775,943,600	200,459,500	190,976,600	2,249,666,500	N/A	7,160,750	2,256,827,250	0.755	2,315,533,422
2018	22,149,800	1,011,224,100	402,100	15,900	777,468,900	200,902,900	190,944,400	2,203,108,100	N/A	7,064,920	2,210,173,020	0.757	2,332,460,731
2017	22,940,500	990,210,600	384,000	14,500	769,993,700	199,249,500	193,788,700	2,176,581,500	133,050,122	7,023,070	2,050,554,448	0.742	2,306,810,785
2016	25,545,000	981,605,200	386,000	14,500	770,972,500	191,896,000	193,796,700	2,164,215,900	N/A	6,832,461	2,171,048,361	0.732	2,086,507,982

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

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

Note: There was a property revaluation in 2009

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

UNAUDITED

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	BOROUGH OF EATONTOWN	REGIONAL RATE	MONMOUTH COUNTY	
2025	0.641	-	0.641	0.500	0.367	0.250	1.758
2024	0.652	-	0.652	0.558	0.403	0.259	1.872
2023	0.628	-	0.703	0.664	0.408	0.271	2.171
2022	0.703	-	0.747	0.768	0.424	0.276	2.300
2021	0.747	-	0.754	0.826	0.425	0.302	2.280
2020	0.754	-	0.755	0.803	0.429	0.294	2.277
2019	0.755	-	0.757	0.803	0.424	0.000	2.311
2018	0.757	-	0.742	0.803	0.437	0.314	2.233
2017	0.742	-	0.732	0.803	0.413	0.275	2.234
2016	0.732	-	0.721	0.789	0.406	0.307	2.241

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

EATONTOWN PUBLIC SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS,
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Taxpayer	2025		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$ -	0.000%
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Taxpayer	2016		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

DATA NOT AVAILABLE

Total	\$ -	-
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Source: Municipal Tax Assessor

**EATONTOWN PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2025	\$ 20,319,194	\$ 20,319,194	100.00%	-
2024	18,640,456	18,640,456	100.00%	-
2023	18,028,552	18,028,552	100.00%	-
2022	17,705,017	17,705,017	100.00%	-
2021	17,357,067	17,357,067	100.00%	-
2020	17,045,777	17,045,777	100.00%	-
2019	16,736,246	16,736,246	100.00%	-
2018	16,209,020	16,209,020	100.00%	-
2017	15,897,138	15,897,138	100.00%	-
2016	15,077,594	15,077,594	100.00%	-

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

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

Debt Capacity Information

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

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**EATONTOWN PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME		PER CAPITA
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES				
2025	\$ 9,815,000	\$ 3,655,000	\$ 13,470,000	0.34%	46,275	
2024	11,920,000	3,795,000	15,715,000	0.30%	46,725	
2023	13,215,000	4,080,000	17,295,000	0.26%	44,792	
2022	14,480,000	4,290,000	18,770,000	0.24%	44,792	
2021	15,740,000	-	15,740,000	N/A	N/A	
2020	16,905,000	-	16,905,000	N/A	N/A	
2019	18,030,000	-	18,030,000	0.46%	82,551	
2018	19,110,000	-	19,110,000	0.42%	79,471	
2017	20,150,000	-	20,150,000	0.38%	75,916	
2016	21,200,000	-	21,200,000	0.34%	73,071	

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

**EATONTOWN PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2025	13,582	\$ 3,476,837,851	\$ 9,815,000	0.28%	723
2024	13,597	3,116,534,391	11,920,000	0.38%	877
2023	13,545	2,970,187,411	13,215,000	0.44%	976
2022	N/A	2,566,789,392	14,480,000	0.56%	N/A
2021	N/A	2,374,170,730	15,740,000	0.66%	N/A
2020	12,132	2,302,211,131	16,905,000	0.73%	1,393
2019	12,175	2,256,827,250	18,030,000	0.80%	1,481
2018	12,238	2,210,173,020	19,110,000	0.86%	1,562
2017	12,297	2,050,554,448	20,150,000	0.98%	1,639
2016	12,238	2,171,048,361	21,200,000	0.98%	1,732

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**EATONTOWN PUBLIC SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2025
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Borough of Eatontown	\$ 17,520,000	100.0%	\$ 17,520,000
Other Debt:			
County of Monmouth - Township's Share (%)	564,062,115	2.23%	<u>12,555,150</u>
Subtotal, Overlapping Debt			30,075,150
Total Direct & Overlapping Debt			<u><u>\$ 30,075,150</u></u>

Sources: Monmouth County Office of the Treasurer, Borough of Eatontown, Borough of Eatontown Sewerage Authority, Borough of Eatontown Housing Authority

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

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

EATONTOWN PUBLIC SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Dollars in Thousands)
 UNAUDITED

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 141,977,376	\$ 124,245,740	\$ 113,943,034	\$ 101,290,671	\$ 95,893,193	\$ 90,922,531	\$ 86,990,410	\$ 83,735,984	\$ 62,236,147	\$ 62,116,236
Total Net Debt Applicable to Limit	9,815,000	11,920,000	13,215,000	14,480,000	15,740,000	16,905,000	18,030,000	19,110,000	21,200,000	22,200,000
Legal Debt Margin	\$ 132,162,376	\$ 112,325,740	\$ 100,728,034	\$ 86,810,671	\$ 80,153,193	\$ 74,017,531	\$ 68,960,410	\$ 64,625,984	\$ 41,036,147	\$ 39,916,236
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.91%	11.60%	14.30%	16.41%	18.59%	20.73%	22.82%	34.06%	35.74%	38.70%

Legal Debt Margin Calculation

	2024	2023	2022
Equalized Valuation Basis	\$ 3,876,399,300.00	\$ 3,470,507,206.00	\$ 3,301,396,672.00
Average Equalized Valuation of Taxable Property	\$ 10,648,303,178	\$ 3,549,434,393	
Debt Limit (4% of Average Equalization Value) Net Bonded School Debt	\$ 141,977,376	\$ 9,815,000	
Legal Debt Margin	\$ 132,162,376		

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

Demographic and Economic Information

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

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

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**EATONTOWN PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2025	13,582	\$ 628,507,050	\$ 46,275.00	4.1%
2024	13,597	635,319,825	46,725	4.6%
2023	13,545	606,707,640	44,792	3.1%
2022	13,593	608,857,656	44,792	5.1%
2021	13,579	N/A	N/A	9.9%
2020	12,132	N/A	N/A	10.6%
2019	12,175	1,005,058,425	82,551	3.6%
2018	12,238	972,566,098	79,471	4.2%
2017	12,297	933,539,052	75,916	4.4%
2016	12,238	894,242,898	73,071	5.7%

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

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

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

c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that that there is recent revised data for the years 2004 through 2010 due to the new unemployment estimation procedure.

EATONTOWN PUBLIC SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

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

Source: Monmouth County Department of Economic Development and Tourism;
 The Borough of Eatontown, Official Statements

Operating Information

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

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**EATONTOWN PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	66	66	66	70	73	72	72	80	80	81
Special Education	36	36	36	39	42	33	29	24	24	28
Other Special Instruction	18	18	18	18	13	8	11	12	12	9
Support Services:										
Student & Instruction Related Services	29	29	28	26	25	26	24	28	28	28
General Administration	9	9	9	9	9	9	9	9	9	9
School Administrative Services	5	5	5	5	5	5	5	5	5	5
Central Services	8	8	8	8	10	10	10	10	10	10
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant Operations & Maintenance	2	2	2	2	2	2	2	1	1	1
Pupil Transportation	11	11	11	11	11	11	11	8	8	8
Total	186	186	185	190	192	178	175	179	179	181

Source: District Personnel Records

EATONTOWN PUBLIC SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEM	MIDDLE				
2025	952	\$ 26,091,303	\$ 27,406.83	9.70%	127	10:01:00	10:01:00	959.00	897.00	-0.72%	93.53%
2024	959	23,960,079	24,984	-0.10%	120	10:1	9:1	966.00	895.00	4.01%	92.65%
2023	924	23,108,332	25,009	2.76%	120	8:1	8:1	928.79	863.61	0.81%	92.98%
2022	927	22,560,804	24,337	-2.45%	127	9:1	9:1	921.31	848.72	3.28%	92.12%
2021	886	22,105,219	24,949	0.27%	128	9:1	9:1	892.07	842.27	-7.01%	94.42%
2020	957	23,812,490	24,882	44.97%	113	9:1	8:1	959.36	959.14	-2.73%	99.98%
2019	970	23,847,946	24,586	16.54%	112	9:1	8:1	956.29	921.54	-9.84%	96.37%
2018	1,049	18,004,314	17,163	-18.64%	116	10:1	10:1	986.28	933.08	-7.01%	94.61%
2017	1,035	21,834,265	21,096	9.33%	115	8:9:1	9:2:1	1,060.64	989.21	1.59%	93.27%
2016	1,053	20,318,126	19,295	2.64%	118	9:2:1	7:8:1	1,043.99	994.70	-1.46%	95.28%

Sources: District records

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

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

b Teaching staff includes only full-time equivalents of certificated staff.

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

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**EATONTOWN PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

<u>DISTRICT BUILDINGS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Elementary Schools:										
Administration Offices (2008):										
Square Feet	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Woodmere Elementary (1961):										
Square Feet	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510	44,510
Capacity	384	384	384	305	305	305	305	305	305	305
Enrollment	236	331	314	305	213	222	222	222	222	222
Margaret L. Vetter Elementary (1954):										
Square Feet	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635	33,635
Capacity	323	323	323	344	344	344	344	344	344	344
Enrollment	237	219	189	193	180	300	300	300	300	300
Meadowbrook Elementary (1964):										
Square Feet	43,850	43,850	43,850	43,850	43,850	43,850	43,850	43,850	43,850	43,850
Capacity	339	339	339	320	320	320	320	320	320	320
Enrollment	212	236	245	234	289	308	308	308	308	219
Middle School:										
Memorial Middle School (1955):										
Square Feet	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070	53,070
Capacity	292	292	292	321	321	321	321	321	321	321
Enrollment	270	181	176	195	204	219	219	219	219	219

Number of Schools at June 30, 2025:
 Elementary = 3
 Middle School = 1
 Other = 1

Source: District Facilities Office, District Records

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

EATONTOWN PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

SCHOOL FACILITIES	PROJECT #(s)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Middle Schools:											
Memorial School	N/A	\$ 325,128	\$ 256,413	\$ 250,667	\$ 243,680	\$ 212,334	\$ 193,726	\$ 221,319	\$ 202,321	\$ 200,625	\$ 187,537
Elementary Schools:											
Woodmere School	N/A	312,974	246,828	241,298	234,573	204,400	186,487	213,048	194,761	193,128	179,996
Margaret L. Vetter School	N/A	316,496	249,606	244,014	237,213	206,700	188,585	215,445	196,952	195,301	180,979
Meadowbrook School	N/A	311,462	245,637	240,134	233,441	203,413	185,587	212,020	193,821	192,196	180,116
Grand Total		\$ 1,266,060	\$ 998,484	\$ 976,113	\$ 948,907	\$ 826,847	\$ 754,384	\$ 861,832	\$ 787,856	\$ 781,250	\$ 728,628

**EATONTOWN PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY (1):		
Building and Contents (All Locations)	\$ 350,000,000.00	\$ 5,000.00
Boiler and Machinery	100,000,000.00 *	25,000.00
General Liability	6,000,000.00	-
Automobile Liability	6,000,000.00	-
Auto Physical Damage	-	1,000.00
Electronic Data Processing	2,000,000.00	1,000.00
School Board Legal Liability	6,000,000.00	-
SCHOOL ACCIDENT INSURANCE (1):		
Compulsory	1,000,000.00	-
SURETY BONDS:		
School Business Administrator (1)	250,000.00	1,000.00
CRIME:		
Public Employee Dishonesty	100,000.00	1,000.00
Theft, Disappearance & Dishonesty	10,000.00	500.00
Forgery & Alteration	100,000.00	1,000.00
ENVIRONMENTAL LIABILITY (1):	1,000,000.00	50,000.00

(1) NJ School Boards Insurance Group

*Boiler and Machinery policy is pooled

Source: District Records

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable President and Members
of the Board of Education
Eatontown Public School District
County of Monmouth
Eatontown, NJ 07724

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

Report On Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Brian J. Waldron
Certified Public Accountant
Public School Accountant, #2600

Lakewood, New Jersey

January 15, 2026



EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Eatontown Public School District
County of Monmouth
Eatontown, NJ 07724

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Eatontown Public School District's compliance with types of compliance requirements identified as subject to audit 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 School District's major federal and state programs for the fiscal year ended June 30, 2025. The Eatontown Public School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Brian J. Waldron
Certified Public Accountant
Public School Accountant, #2600

Lakewood, New Jersey
January 15, 2026

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EATONTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	BALANCE, JUNE 30, 2025		MEMO		
											UNEARNED REVENUE	ACCOUNTS RECEIVABLE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:															
General Fund:															
State Aid Public:															
Special Education Categorical Aid	495-034-5120-089	\$ 786,880	7/1/24-6/30/25	\$ -	\$ -	\$ 786,880	\$ (786,880)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,327	\$ 786,880
Security Aid	495-034-5120-084	284,164	7/1/24-6/30/25	-	-	284,164	(284,164)	-	-	-	-	-	-	28,286	284,164
Equalization Aid	495-034-5120-078	445,445	7/1/24-6/30/25	-	-	445,445	(445,445)	-	-	-	-	-	-	44,340	445,445
Other State Aids	495-034-5120-135	100,000	7/1/24-6/30/25	-	-	100,000	(100,000)	-	-	-	-	-	-	-	100,000
Total State Aid Public						1,616,489	(1,616,489)	-	-	-	-	-	-	150,953	1,616,489
Transportation Aid	495-034-5120-014	259,295	7/1/24-6/30/25	-	-	259,295	(259,295)	-	-	-	-	-	-	25,811	259,295
Extrordinary Aid	495-034-5120-044	349,094	7/1/24-6/30/25	-	-	349,094	(349,094)	-	-	-	-	-	-	349,094	349,094
Extrordinary Aid	495-034-5120-044	346,287	7/1/23-6/30/24	(346,287)	-	346,287	(39,773)	-	-	-	(349,094)	-	-	-	39,773
Additional Non-Public Transportation Aid	495-034-5120-014	39,773	7/1/24-6/30/25	-	-	39,773	(39,773)	-	-	-	-	-	-	-	39,773
Additional Non-Public Transportation Aid	495-034-5120-014	45,569	7/1/23-6/30/24	(45,269)	-	45,569	(740,233)	-	-	-	(37,556)	-	-	-	740,233
Reimbursed Social Security Contributions	495-034-5094-003	709,028	7/1/23-6/30/24	(35,184)	-	702,877	(740,233)	-	-	-	(37,556)	-	-	-	740,233
TPAF - Post Retirement	495-034-5094-003	709,028	7/1/23-6/30/24	(35,184)	-	35,184	-	-	-	-	-	-	-	-	-
Medical (Noncash Assistance)	495-034-5094-001	983,447	7/1/24-6/30/25	-	-	983,447	(983,447)	-	-	-	-	-	-	-	983,447
TPAF - Pension	495-034-5094-001	983,447	7/1/24-6/30/25	-	-	983,447	(983,447)	-	-	-	-	-	-	-	983,447
Contributions (Noncash Assistance)	495-034-5094-002	3,365,655	7/1/24-6/30/25	-	-	3,365,655	(3,365,655)	-	-	-	-	-	-	-	3,365,655
TPAF - Long-Term Disability	495-034-5094-004	1,739	7/1/24-6/30/25	-	-	1,739	(1,739)	-	-	-	-	-	-	-	1,739
Insurance (Noncash Assistance)	495-034-5094-004	1,739	7/1/24-6/30/25	-	-	1,739	(1,739)	-	-	-	-	-	-	-	1,739
Total General Fund				(426,740)	-	7,356,242	(7,355,725)	-	-	-	(426,223)	-	-	176,764	7,355,725
Special Revenue Fund:															
Non-Public Aid:															
Textbooks	100-034-5120-064	11,183	7/1/24-6/30/25	-	-	11,200	(11,183)	-	-	-	-	-	-	-	11,183
Textbooks	100-034-5120-064	10,810	7/1/23-6/30/24	10	-	28,470	(28,407)	(10)	-	-	-	-	-	-	28,407
Nursing Services	100-034-5120-070	22,440	7/1/23-6/30/24	5,323	-	10,731	(10,731)	(5,323)	-	-	-	-	-	-	10,731
Nursing Services	100-034-5120-070	8,195	7/1/23-6/30/24	832	-	48,380	(48,372)	(832)	-	-	-	-	-	-	48,372
Technology Initiative	100-034-5120-075	41,615	7/1/23-6/30/24	-	-	-	-	-	-	-	-	-	-	-	41,615
Security Aid	100-034-5120-509	75,963	7/1/24-6/30/25	-	-	53,274	(47,511)	-	-	-	-	-	-	-	47,511
Auxiliary Services Aid (Chapter 192):	100-034-5120-067	47,381	7/1/23-6/30/24	-	-	-	-	-	-	-	-	-	-	-	47,381
Compensatory Education	100-034-5120-067	47,381	7/1/23-6/30/24	-	-	-	-	-	-	-	-	-	-	-	47,381
Handicapped Services (Chapter 193):	100-034-5120-066	54,960	7/1/24-6/30/25	-	-	54,960	(54,960)	-	-	-	-	-	-	-	54,960
Examination and Classification	100-034-5120-066	70,321	7/1/23-6/30/24	1,072	-	1,029	(1,072)	-	-	-	-	-	-	-	1,029
Examination and Classification	100-034-5120-066	1,334	7/1/13-6/30/14	1,029	-	-	-	-	-	-	-	-	-	-	1,029
Anti-Bully Grant	NA	2,160,493	7/1/24-6/30/25	-	-	2,676,405	(2,723,394)	-	-	-	(136,545)	-	-	216,049	2,723,394
Preschool Education Aid	495-034-5120-086	2,529,465	7/1/23-6/30/24	(95,274)	-	95,274	-	-	-	-	-	-	-	-	95,274
Preschool Education Aid	495-034-5120-086	45,615	7/1/22-6/30/23	4,118	-	-	-	-	-	-	-	-	-	-	4,118
SDA Emergent Needs	100-034-5120-519	87,000	7/1/24-6/30/25	-	-	-	(87,000)	-	-	-	(87,000)	-	-	-	87,000
Local Retirement Improvement Grant	Unavailable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Fund				(82,890)	-	2,883,420	(3,011,538)	-	(7,237)	-	(223,545)	-	-	5,147	216,049
Debt Service Fund:															
Debt Service Aid															
	495-034-5120-075	622,872	7/1/24-6/30/25	-	-	622,872	(622,872)	-	-	-	-	-	-	-	622,872
Total Debt Service Fund				-	-	622,872	(622,872)	-	-	-	-	-	-	-	622,872
New Jersey Department of Agriculture:															
Enterprise Fund:															
National School Breakfast Program	100-010-3350-023	2,721	7/1/24-6/30/25	-	-	2,529	(2,721)	-	-	-	(192)	-	-	-	2,721
National School Breakfast Program	100-010-3350-023	2,328	7/1/23-6/30/24	(491)	-	491	-	-	-	-	-	-	-	-	491
National School Lunch Program	100-010-3350-023	14,363	7/1/24-6/30/25	-	-	13,017	(14,363)	-	-	-	(1,346)	-	-	-	14,363
National School Lunch Program	100-010-3350-023	12,088	7/1/23-6/30/24	(2,965)	-	2,965	-	-	-	-	-	-	-	-	2,965
Summer-EBT Administrative Cost - State	100-010-3370-003	322	7/1/24-6/30/25	-	-	322	(322)	-	-	-	-	-	-	-	322
Total Enterprise Fund				(3,456)	-	19,224	(17,406)	-	-	-	(1,538)	-	-	-	17,406
Total State Financial Assistance				\$ (513,086)	\$ -	\$ 10,881,838	\$ (11,007,561)	\$ -	\$ (7,237)	\$ 5,718	\$ 5,147	\$ (651,306)	\$ 5,851	\$ 392,813	\$ 11,007,561
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:															
TPAF - Post Retirement	495-034-5094-001	\$ 983,447	7/1/24-6/30/25	-	-	\$ -	\$ 983,447	-	-	-	-	-	-	-	-
TPAF - Pension (Noncash Assistance)	495-034-5094-001	3,365,655	7/1/24-6/30/25	-	-	-	3,365,655	-	-	-	-	-	-	-	-
Contributions (Noncash Assistance)	495-034-5094-002	1,739	7/1/24-6/30/25	-	-	-	1,739	-	-	-	-	-	-	-	-
TPAF - Long-Term Disability	495-034-5094-004	1,739	7/1/24-6/30/25	-	-	-	1,739	-	-	-	-	-	-	-	-
Insurance (Noncash Assistance)	495-034-5094-004	1,739	7/1/24-6/30/25	-	-	-	1,739	-	-	-	-	-	-	-	-
Total State Financial Assistance Subject to Calculation for Major Program Determination						\$ -	\$ (6,656,720)								

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

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EATONTOWN PUBLIC SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

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

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

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,749) for the general fund and \$642,853 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The net adjustment for the special revenue fund includes \$170 of local awards which are not included on the Schedule of Expenditures of Federal Awards and State Financial Assistance. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 26,435	\$ 7,348,976	\$ 7,375,411
Special Revenue Fund	1,210,831	3,015,975	4,226,806
Debt Service Fund	-	622,872	622,872
Food Service Fund	408,550	17,406	425,956
Total Awards & Financial Assistance	<u>\$ 1,645,816</u>	<u>\$ 11,005,229</u>	<u>\$ 12,651,045</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Eatontown Public School District had no loan balances outstanding at June 30, 2025.

**EATONTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	_____ <u>X</u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	H027A250100	Special Education Cluster:
84.173	H173A250114	I.D.E.A. Part B
		I.D.E.A. Preschool

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no

**EATONTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-086	Preschool Education Aid

**EATONTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

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

None.

**EATONTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

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

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.