ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE SOUTH RIVER BOROUGH BOARD OF EDUCATION

15 Montgomery Street
South River, New Jersey 08882

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

Borough of South River Board of Education
Johnny Rosa
Board Secretary/Business Administrator

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INTRODUCTORY SECTION

South River Public Schools

15 Montgomery St. | South River | NJ 08882
732-613-4000

January 15, 2026

Honorable President and Members
of the Board of Education
South River School District
South River, NJ 08882

Dear Board Members:

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

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical tables and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical tables section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and in addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The South River Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for disabled Pre-K youngsters. The District completed the 2025 fiscal year with an enrollment of 2,424 students as of June 30, 2025, which is 51 student less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

Fiscal Year Ending June 30,	Student Enrollment	Percent Increase/(Decrease)
2025	2,424	(0.04%)
2024	2,425	(2.38%)
2023	2,484	4.63%
2022	2,374	2.95%
2021	2,306	(0.56%)
2020	2,319	2.52%
2019	2,262	3.15%

2. **ECONOMIC CONDITION AND OUTLOOK:** South River is a community that has little to no ratables to establish a firm tax base to support its education program. There is an attempt to revitalize the downtown district and there are several new housing developments that have been approved and will add not only to the tax base but, more importantly, to the educational costs. The town receives funds as a result of a shared Host Community Benefits program for the Edgeboro Landfill. Land available for additional industrial development is not plentiful.

3. **MAJOR INITIATIVES:** South River Public Schools continues to analyze standards and data related to student achievement. Our teaching staff has engaged in data review to determine standards students need additional support in mastering. We continue to provide staff training to support the diverse school community we serve. We have also expanded our STEM offerings by expanding our computer science offerings including an AP Computer Science course at the high school. Finally, we continue to expand our Pre School classes designed to engage South River's youngest learners.

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

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

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. These amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds as explained in the "Notes to the Financial Statements", Note 2.

7. **DEBT ADMINISTRATION:** The School District had outstanding debt as of June 30, 2025, of $1,820,000.00. The remaining annual maturity schedule for principal as well as annual interest payments are detailed in the "Notes to Financial Statements", Note 8.

8. **FINANCIAL STATUS:** The Business Administrator and the Board of Education continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from the Borough of South River. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price.

9. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, Certified Public Accountants, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditors' report on the basic financial statements and combining and 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.

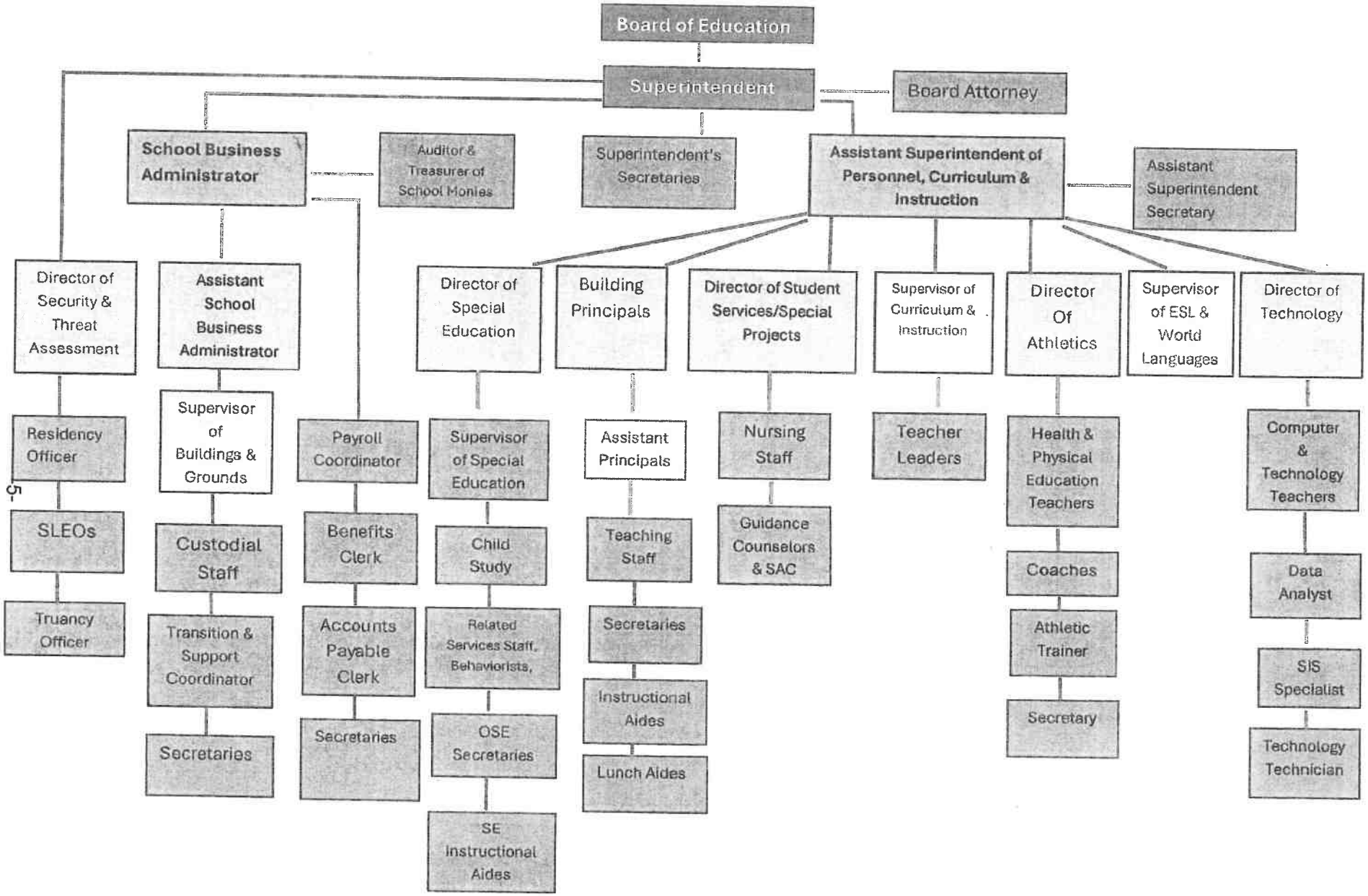
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the South River Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Dr. Sylvia Zircher
Superintendent of Schools

Johnny R. Rosa
School Business Administrator/Board Secretary

South River Board of Education - Organizational Chart June 30, 2025



SOUTH RIVER BOROUGH BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2025

Members of the Board of Education	Term Expires
Cynthia Urbanik, President	2025
Kevin Nielsen, Vice President	2025
Raymond Baszak	2025
John Budzin	2026
Renae Bush	2027
Uche Onwudiwe	2025
Elizabeth Lell	2026
Nicole Sadowski	2027
Jennifer Yong Yow	2026

Other Officials

Sylvia Zircher, Superintendent of Schools

Johnny Rosa, Board Secretary/School Business Administrator

Joseph Zanga, Treasurer

SOUTH RIVER BOROUGH BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2025

AUDIT FIRM

Gerard Stankiewicz, CPA, RMA, PSA
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Samuel Klein and Company
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Freehold, New Jersey 07728

ATTORNEY

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of the firm
Kenny, Gross, Kovats & Parton
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Red Bank, NJ 07701

OFFICIAL DEPOSITORIES

PNC Bank
55 Main Street
South River, New Jersey 08882

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members of the Board
South River Borough Board of Education
County of Middlesex
South River, New Jersey

Report on the Financial Statement

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 Board of Education of the Borough of South River School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2025 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the South River Borough 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 (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education of the Borough of South River 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.

Management's Responsibility 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and auditing standards 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 and *Government Auditing Standards*, we:

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF and budgetary comparison information as identified 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 inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of South River School District 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 Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are 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. Such 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 and Individual Fund Financial Statements, Long-term Debt Schedules and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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 Board of Education of the South River Borough School District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the South River Borough School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the South River Borough School District internal control over financial reporting compliance.

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 15, 2026

REQUIRED SUPPLEMENTARY INFORMATION – PART I

South River Public Schools

15 Montgomery St. | South River | NJ 08882
732-613-4000

January 15, 2026

Honorable President and Members
of the Board of Education
South River School District
South River, NJ 08882

Dear Board Members:

Management's Discussion and Analysis

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

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

Overview of Financial Statements

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

Financial Highlights

Key financial highlights for 2025 are as follows:

Government-Wide GASB #34

In total, net position totaled $51,755,819 which represents a $6,948,243 or 15.51% increase from 2024 net position, which is attributed to a higher level of revenues.

***Government-Wide GASB #34 (*Continued)**

General revenues accounted for $59,408,073 or 88.78% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for $7,506,511 or 11.22% of total revenues of $66,914,584.

The District had $59,797,905 in expenses; only $7,506,511 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and state aid) of $59,408,073 were adequate to provide for these programs.

Fund Financial Statements

Total net position of governmental activities decreased by $4,618,375 as cash and cash equivalents increased by $917,776, receivables decreased by $1,344,091 and liabilities decreased by $887,809.

Among major funds, the General Fund had $61,648,727 in revenues and $61,052,282 in expenditures. The General Fund's fund balance increased $440,785 over 2024, which was caused by an increase in revenue and other financing sources in excess of expenditures. The General Fund's fund balance is $11,246,570.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2025". The Statement of Net Position and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in those assets. This change in net position is important because they report on whether the District's financial position has improved or diminished.

Statement of Net Position and the Statement of Activities (Continued)

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

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

Business-Type Activities — This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the District's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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 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 government'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 government'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 in 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 District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget

The basic governmental fund financial statements can be found on pages 29-31 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program, child care initiative and Falcon Care.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 35-87 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

The District's financial position is the product of several 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.

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2025 and 2024.

Government-wide Financial Statements

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

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

The statement of activities 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 flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The Government-wide financial statements can be found on pages 27-28 of this report.

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2025 and 2024.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $50,719,083 at the close of fiscal year 2025 for governmental activities. The following table provides a summary of net position at June 30, 2025, and 2024 relating to the District's governmental and business-type activities:

Table 1 – Comparative Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Assets						
Current and other assets	$ 12,114,006	$ 12,540,322	$ 311,388	$ 417,247	$ 12,425,394	$ 12,957,568
Capital assets, net	52,335,910	48,628,150	786,644	698,792	53,122,554	49,326,942
Total Assets	$ 64,449,915	$ 61,168,472	$ 1,098,033	$ 1,116,038	$ 65,547,948	$ 62,284,510
Deferred Outflows of Resources						
Unamortized Loss on Defeasance of debt	$ 33,741	$ 53,022			$ 33,741	$ 53,022
Pension	1,929,290	1,911,999			1,929,290	1,911,999
Total Deferred outflows of resources	$ 1,963,031	$ 1,965,021			$ 1,963,031	$ 1,965,021
Liabilities						
Current and other liabilities	$ 1,135,611	$ 2,014,030			$ 1,135,611	$ 2,014,030
Net pension liability	4,631,470	4,516,171			4,631,470	4,516,171
Long-term liabilities outstanding	9,646,783	12,492,872	$ 61,296	$ 121,544	9,708,079	12,614,417
Total Liabilities	$ 15,413,864	$ 19,023,073	$ 61,296	$ 121,544	$ 15,475,160	$ 19,144,618
Deferred Inflow of Resources						
Pension	$ 280,000	$ 297,338			$ 280,000	$ 297,338
Net Position						
Net investment in capital assets	$ 43,692,279	$ 37,117,142	$ 725,349	$ 577,247	$ 44,417,627	$ 37,694,389
Restricted	8,202,145	9,777,757			8,202,145	9,777,757
Unrestricted (deficit)	(1,175,341)	(3,081,817)	311,388	417,247	(863,953)	(2,664,571)
Total Net Position	$ 50,719,083	$ 43,813,082	$ 1,036,737	$ 994,494	$ 51,755,819	$ 44,807,576

The District's combined net position were $51,755,819 on June 30, 2025. This is an increase of $6,948,243 or 15.51% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net decreased from the prior year due to the amount of new additions associated with the District's capital projects that were significantly less than the amount of depreciation on capital assets in the current year.

Long-term liabilities decreased due to the scheduled maturities of principal on debt.

Unrestricted net position – Governmental Activities increased by $1,906,476 which was caused primarily by an increase in state aid.

Table 2 shows the comparative change in net position from fiscal year 2025 and 2024.

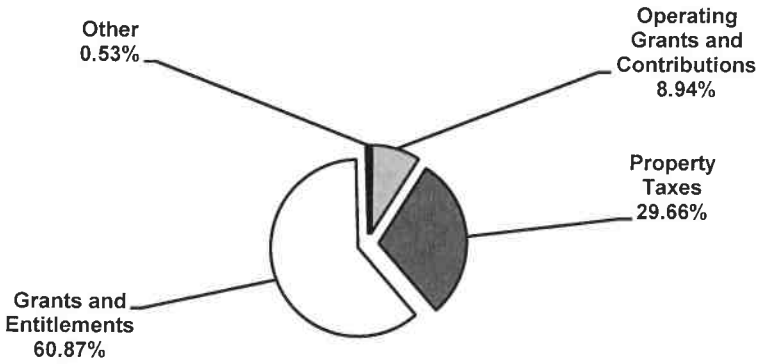
Table 2 – Comparative Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Revenues:						
Program Revenues:						
Charges for Services			$ 327,834	$ 367,833	$ 327,834	$ 367,833
Operating Grants and Contributions	$ 5,834,739	$ 6,260,970	1,343,938	1,087,249	7,178,677	7,348,219
General Revenue:						
Property Taxes	19,354,375	18,882,400			19,354,375	18,882,400
Federal and State Aid	39,711,723	37,313,500			39,711,723	37,313,500
Miscellaneous	341,975	523,984			341,975	523,984
Total Revenue	$ 65,242,812	$ 62,980,853	$ 1,671,772	$ 1,455,082	$ 66,914,584	$ 64,435,935
Expenses:						
Instruction	$ 30,740,982	$ 29,551,042			$ 30,740,982	$ 29,551,042
Tuition	707,136	688,003			707,136	688,003
Student and Instruction Related Services	4,887,147	4,464,592			4,887,147	4,464,592
School Administration	5,157,415	4,893,687			5,157,415	4,893,687
General Administration	5,044,432	4,979,378			5,044,432	4,979,378
Operation and Maintenance of Facilities	7,687,322	6,358,935			7,687,322	6,358,935
Pupil Transportation	3,053,095	3,553,174			3,053,095	3,553,174
Interest on Debt	460,303	120,142			460,303	120,142
Charter Schools	430,543	394,012			430,543	394,012
Business-Type Activities			$ 1,629,529	$ 1,728,576	1,629,529	1,728,576
Total Expenses	$ 58,168,376	$ 55,002,965	$ 1,629,529	$ 1,728,576	$ 59,797,905	$ 56,731,542
Special and Extraordinary Items	(168,436)				(168,436)	-
Change in Net Position	6,906,001	7,977,888	42,243	(273,494)	6,948,244	7,704,393
Net Position - Beginning	43,813,082	35,835,194	994,494	1,267,988	44,807,576	37,103,182
Net Position - Ending	$ 50,719,083	$ 43,813,082	$ 1,036,737	$ 994,494	$ 51,755,820	$ 44,807,576

Governmental Activities

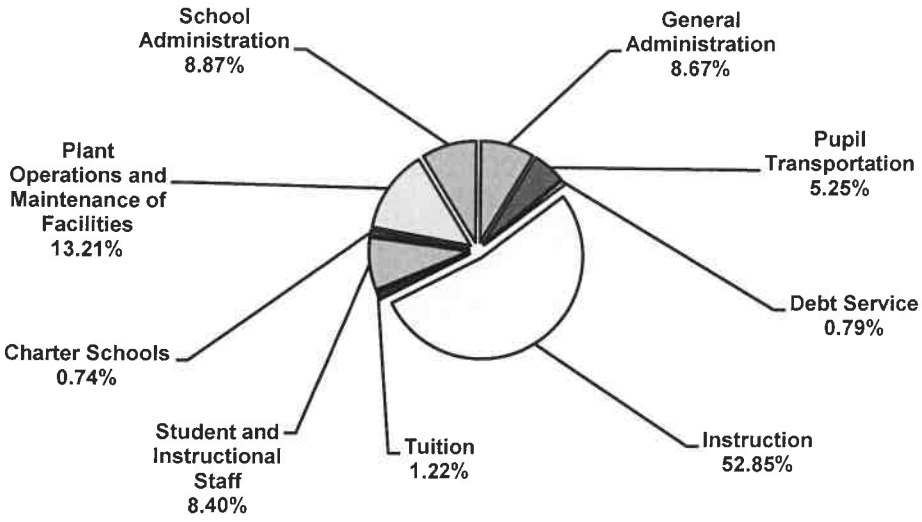
Revenue for Fiscal Year 2025

The total revenues of the governmental activities for the year ended June 30, 2025 were $65,242,812. Property taxes as approved by the District made up $19,354,375 or 29.66% of revenues for governmental activities for the fiscal year 2025. Federal, state and local grants accounted for $39,711,723 or 60.87% and operating grants and contributions of $5,834,739 or 8.94%.



Expenses for Fiscal Year 2025

The total cost of all programs and services was $58,168,376 Instruction comprises 52.85% of the District's expenses.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

Food service revenues exceeded expenses by $42,243 as charges for services represent $327,834 or 19.61% of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals including payments for free and reduced lunches and donated commodities were $1,343,938 or 80.39% of revenue.

Governmental Activities

The Comparative Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2024-2025	2023-2024	% Change	2024-2025	2023-2024	% Change
Instruction	$ 30,740,982	$ 29,551,042	4.03%	$ 27,124,119	$ 25,504,758	6.35%
Support Services:						
Pupils and Instructional Staff	4,887,147	4,464,592	9.46%	2,669,272	2,249,906	18.64%
Tuition	707,136	688,003	2.78%	707,136	688,003	2.78%
General Administration	5,044,432	4,979,378	1.31%	5,044,432	4,979,378	1.31%
School Administration	5,157,415	4,893,687	5.39%	5,157,415	4,893,687	5.39%
Operations & Maintenance of Facilities	7,687,322	6,358,935	20.89%	7,687,322	6,358,935	20.89%
Pupil Transportation	3,053,095	3,553,174	-14.07%	3,053,095	3,553,174	-14.07%
Debt Service	430,543	120,142	258.36%	460,303	120,142	283.13%
Transfer to Charter School	460,303	394,012	16.82%	430,543	394,012	9.27%
Total Expenses	$ 58,168,376	$ 55,002,965		$ 52,333,637	$ 48,741,996	

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

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

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

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

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

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

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenues

- Actual miscellaneous revenue – unrestricted was in excess of the modified budgeted amount of $15,000 by approximately $261,520 as a result mostly of tuition, interest on investments and refund of prior year expenditures.

Expenditures

- Total regular programs – instruction final budget was higher than the original budget by $157,837 or 1.33%. Actual expenditures of $11,211,426 represent 93.02% of the budget. The increase in the budget was caused mostly by more of a need for elementary school salaries.

- Total special education – instruction final budget was higher than the original budget by $240,045 or 5.11%. Actual expenditures of $4,803,335 or 97.33% of the budget. The increase in the budget was caused by more of a need for learning disability salaries.

- Total instructional expenditures final budget was higher than the original budget by $293,025 or 1.49%. Actual total instructional expenditures were $18,574,535 or 93.29% of the budget. The increase in the budget was caused by more of a need for teacher related salaries and purchased services.

- Total undistributed expenditures – other support extraordinary services final budget was lower than the original budget by $247,953 or 36.76%. Expenditures were $256,470 or 60.12% of the budget.

- Undistributed – tuition – final budget was higher than the original by $639,989 or 90.44%. Actual expenditures were $707,136 or 52.47%. The increase in the budget was primarily caused by more of a need for tuition to other LEAs within the state.

- Total undistributed expenditures – other support-students regular – final budget was lower than the original by $251,062 or 18.04%. Actual expenditures were $1,094,147 or 95.96% of the budget. The decrease in the budget was due to less required services for students.

- Total undistributed expenditures – other support students – special services final budget was lower than the original by $494 or 0.03%. Actual expenditures were $1,760,787 or 93.45% of the budget.

- Total undistributed expenditures – other operation of maintenance and plant – final budget was lower than the original by $137,890 or 3.06%. Actual expenditures were $3,031,175 or 69.49% of the budget.

Expenditures (Continued)

- Total undistributed expenditures – unallocated employee benefits final budget was higher than the original by $37,477 or 0.41%. Actual expenditures were $8,247,299 or 89.04% of the budget.

- Undistributed – student transportation final budget was lower than the original budget by $73,835 or 2.50%. Actual expenditures of $2,070,609 represented 71.72% of the budget.

- The capital outlay portion of the budget was adjusted based on the needs of the District.

- Total undistributed expenditures – final budget was higher than the original by $523,023 or 1.76%. Actual expenditures net of on-behalf payments were $25,111,594 or 82.93% of the budget.

- The general fund portion of the budget as modified (final) was $4,817,469 or 8.85% higher than the original budget. Total expenditures net of on-behalf payment was $51,120,562 or 86.28% of the budget.

The District's Funds

Information about the District's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds, except for capital projects, had total revenues of $70,488,502 and expenditures of $69,891,949.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the governmental funds exclusive of the capital projects fund for the fiscal year ended June 30, 2025, and the amount of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

	2024-2025		2023-2024		Increase/ (Decrease) from 2023-2024 to 2024-2025
Revenue	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	$ 19,907,049	28.24%	$ 19,572,199	29.20%	$ 334,849
State Sources	48,312,663	68.54%	41,428,343	61.80%	6,884,320
Federal Sources	2,268,790	3.22%	6,036,452	9.00%	(3,767,662)
	$ 70,488,502	100.00%	$ 67,036,995	100.00%	$ 3,451,507

The increase in Local Sources is attributed to an increase in miscellaneous revenues.

The increase in State Sources is attributed to an increase in general fund state aid and on-behalf payments.

The increase in Federal Sources is attributed to an increase in special revenue federal grants.

The District's Funds (Continued)

The following schedule presents a comparative summary of governmental fund expenditures exclusive of the capital projects fund for the fiscal year ended June 30, 2025, and the amount of increases and decreases in relation to prior year expenditures.

Comparative Summary of Expenditures

Expenditures	2024-2025 Amount	2024-2025 Percent of Total	2023-2024 Amount	2023-2024 Percent of Total	Increase/ (Decrease) from 2023-2024 to 2024-2025
Instruction	$ 21,662,641	30.99%	$ 20,289,023	27.03%	$ 1,373,618
Undistributed Expenditures	37,789,948	54.07%	36,007,793	47.97%	1,782,155
Capital Outlay	8,977,767	12.85%	17,339,456	23.10%	(8,361,689)
Debt Service	1,031,050	1.48%	1,039,280	1.38%	(8,230)
Charter Schools	430,543	0.61%	394,012	0.52%	36,531
	$ 69,891,949	100.00%	$ 75,069,564	100.00%	$ (5,177,615)

The increase in Current – Instruction is attributed to the increased costs of salaries for teachers and the increased costs of other instructional programs and supplies.

The increase in Undistributed Expenditures relates to increases in special education tuition and health benefits and other employee benefits.

The increase in capital outlay is primarily due to an increase in equipment and the financed purchases of modular classrooms and furniture.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2025, the District amended its general fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Business Administrator, Superintendent and Board of Education. Transfers were necessitated during the year were not significant in consideration of specific line items; however, a provision for unemployment was made for pending reduction of staff and retirement sick pay.

While the District final budget for the general fund anticipated that revenues and expenditures would roughly equal, the actual results for the year shows a surplus increase of $440,785 caused primarily by an increase in state aid and lower level of expenditures.

Capital Assets

At the end of the fiscal year 2025, the School District had $88,984,629 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

Table 4 - Capital Assets (Net of Depreciation and Amortization) at June 30

	Governmental Activities		Business-Type Activities		Total School District	
	2024-2025	2023-2024	2024-2025	2023-2024	2024-2025	2023-2024
Construction in Progress		$ 9,000,000			-	$ 9,000,000
Site and Site Improvements	$ 4,030,212	2,127,751			$ 4,030,212	2,127,751
Building and Building Improvements	45,286,933	34,893,757	$ 148,981	$ 153,006	45,435,913	35,046,763
Machinery and Equipment	2,718,664	2,170,242	637,664	545,786	3,356,328	2,716,028
Right of Use	300,101	436,400			300,101	436,400
Total Capital Assets - Net	$ 52,335,910	$ 48,628,150	$ 786,644	$ 698,792	$ 53,122,554	$ 49,326,942

Refer to Notes to Financial Statements Note 7 for more detailed information.

Overall capital assets (net) increased from 2024 to 2025. The increase in capital assets is due to fixed asset additions in excess of annual depreciation and amortization.

Debt Administration

At the end of the fiscal year 2025 and 2024, the School District had outstanding debt as follows:

Table 5 – Debt Administration

	June 30, 2025	June 30, 2024
Governmental Activites:		
Compensated Absences	$ 969,411	$ 928,842
Serial Bonds, Net of Premium	952,495	1,973,203
Financed Purchases	7,614,358	9,400,889
Leases	110,520	154,938
Subscriptions		35,000
Total	$ 9,646,783	$ 12,492,872
Business-Type Activities:		
Leases	$ 61,296	$ 121,544
Total	$ 61,296	$ 121,544

Refer to Notes to Financial Statements Note 8 for more detailed information.

For the Future

The District is sufficiently funded to meet the educational and capital requirements.

The primary concern the District faces is the Borough of South River's inability to increase the tax base. The town is primarily residential with very few commercial ratables; thus the burden of taxes levied by the District falls squarely on the homeowners. The Borough of South River in January 2020 went through a reassessment of properties. The current state aid formula has provided the District with additional state aid which supports District goals.

The Borough's tax base remains relatively flat and in light of the fact the town is limited in buildable space (which means there is limited space available for future development which would increase the ratable base), the probability of a tax increase on the average homeowner next year is very likely. Additionally, the cost of one final major bond issue, $3.4 million in 2020, costs the district nearly $500,000 per year for debt service. These debt service obligations will expire in 2027.

In closing, the District's Board of Education practices long term financial planning. The District is proud of its system for budgeting, internal financial controls and exploring alternative funding sources including but not limited to grants. Moreover, the Administration is determined to address the educational needs of the students while delivering a fiscal responsible budget to the taxpayers.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Johnny R. Rosa School Business Administrator/Board Secretary at the South River Board of Education, 15 Montgomery Street, South River, NJ 08882.

Respectfully submitted,

Dr. Sylvia Zircher
Superintendent of Schools

Johnny R. Rosa
Board Secretary/School Business Administrator

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 6,252,686.43	$ 197,317.58	$ 6,450,004.01
Receivables - Net	1,837,442.77	86,591.46	1,924,034.23
Inventory		27,479.25	27,479.25
Restricted Assets - Cash and Cash Equivalents	4,023,876.60		4,023,876.60
Capital Assets, Net			
Non Depreciable			
Depreciable	52,035,808.73	786,644.27	52,822,453.00
Right of Use	300,100.81		300,100.81
Total Assets	$ 64,449,915.34	$ 1,098,032.56	$ 65,547,947.90
DEFERRED OUTFLOW OF RESOURCES			
Unamortized Loss on Defeasance of Debt	$ 33,741.44		$ 33,741.44
Pension	1,929,290.00		1,929,290.00
	$ 1,963,031.44		$ 1,963,031.44
LIABILITIES			
Accounts Payable	$ 673,762.50		$ 673,762.50
Intergovernmental Accounts Payable	28,428.00		28,428.00
Payroll Deductions and Withholdings Payable	322,187.71		322,187.71
Unearned Revenue	108,383.09		108,383.09
Accrued Interest on Noncurrent Debt	2,850.00		2,850.00
Net Pension Liability	4,631,470.00		4,631,470.00
Noncurrent Liabilities:			
Due Within One Year	2,549,639.31	$ 61,295.74	2,610,935.05
Due Beyond One Year	7,097,143.61		7,097,143.61
Total Liabilities	$ 15,413,864.22	$ 61,295.74	$ 15,475,159.96
DEFERRED INFLOW OF RESOURCES			
Pension	$ 280,000.00		$ 280,000.00
NET POSITION			
Invested in Capital Assets	$ 43,692,278.79	$ 725,348.53	$ 44,417,627.32
Restricted	8,202,145.06		8,202,145.06
Unrestricted (Deficit)	(1,175,341.29)	311,388.29	(863,953.00)
Total Net Position	$ 50,719,082.56	$ 1,036,736.82	$ 51,755,819.38

See accompanying notes to financial statements.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Total
Governmental Activities:						
Instruction:						
Regular	$ 16,418,354.52			$ (16,418,354.52)		$ (16,418,354.52)
Special Education	10,548,262.48		$ 3,616,863.32	(6,931,399.16)		(6,931,399.16)
Other Special Instruction	2,581,545.71			(2,581,545.71)		(2,581,545.71)
Other Instruction	1,192,819.70			(1,192,819.70)		(1,192,819.70)
Support Services:						
Tuition	707,135.54			(707,135.54)		(707,135.54)
Student and Instruction Related Services	4,887,147.46		2,217,875.59	(2,669,271.87)		(2,669,271.87)
General Administrative Services	5,044,431.65			(5,044,431.65)		(5,044,431.65)
School Administrative Services	5,157,414.68			(5,157,414.68)		(5,157,414.68)
Plant Operations and Maintenance	7,687,322.39			(7,687,322.39)		(7,687,322.39)
Pupil Transportation	3,053,095.27			(3,053,095.27)		(3,053,095.27)
Transfer to Charter Schools	430,543.00			(430,543.00)		(430,543.00)
Interest on Noncurrent Debt	460,303.13			(460,303.13)		(460,303.13)
Total Governmental Activities	$ 58,168,375.53		$ 5,834,738.91	$ (52,333,636.62)		$ (52,333,636.62)
Business-Type Activities:						
Food Service	$ 1,629,529.01	$ 327,834.40	$ 1,343,937.64		$ 42,243.03	$ 42,243.03
Total Primary Government	$ 59,797,904.54	$ 327,834.40	$ 7,178,676.55	$ (52,333,636.62)	$ 42,243.03	$ (52,291,393.59)
General Revenues						
Taxes:						
General Purposes				$ 18,343,924.00		$ 18,343,924.00
Debt Service				1,010,451.00		1,010,451.00
Federal and State Aid Not Restricted				39,711,722.52		39,711,722.52
Miscellaneous Income				341,975.44		341,975.44
Total General Revenues				$ 59,408,072.96		$ 59,408,072.96
Excess				7,074,436.34	42,243.03	7,116,679.37
Special and Extraordinary Items				(168,435.58)		(168,435.58)
Change in Net Position				$ 6,906,000.76	$ 42,243.03	$ 6,948,243.79
Net Position - Beginning				43,813,081.80	994,493.79	44,807,575.59
Net Position - Ending				$ 50,719,082.56	$ 1,036,736.82	$ 51,755,819.38

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 7,023,123.50			$ 1.17	$ 7,023,124.67
Intergovernmental Accounts Receivable	587,217.25	$ 1,234,947.02			1,822,164.27
Accounts Receivable	15,278.50				15,278.50
Restricted Cash and Cash Equivalents	4,023,876.60				4,023,876.60
Total Assets	$ 11,649,495.85	$ 1,234,947.02		$ 1.17	$ 12,884,444.04
LIABILITIES AND FUND BALANCE					
Liabilities:					
Cash and Cash Equivalence (Overdraft)		$ 770,438.24			$ 770,438.24
Accounts Payable	$ 80,737.79	117,174.71			197,912.50
Intergovernmental Accounts Payable		28,428.00			28,428.00
Payroll Deductions and Withholdings Payable	322,187.71				322,187.71
Unearned Revenue		108,383.09			108,383.09
Total Liabilities	$ 402,925.50	$ 1,024,424.04			$ 1,427,349.54
Fund Balances:					
Restricted:					
Debt Service				$ 1.17	$ 1.17
Scholarships		$ 20,578.22			20,578.22
Student Activities		189,944.76			189,944.76
Unemployment Compensation	$ 374,762.76				374,762.76
Capital Reserve	2,980,518.49				2,980,518.49
Maintenance Reserve	635,300.00				635,300.00
Reserve for Excess Surplus	1,449,306.68				1,449,306.68
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures	2,554,582.98				2,554,582.98
Assigned:					
Year-end Encumbrances	3,252,099.44				3,252,099.44
Total Fund Balances	$ 11,246,570.35	$ 210,522.98		$ 1.17	$ 11,457,094.50
Total Liabilities and Fund Balance	$ 11,649,495.85	$ 1,234,947.02		$ 1.17	$ 12,884,444.04

Total Fund Balance above	$ 11,457,094.50
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is $88,984,629.35 and the accumulated depreciation and amortization is $36,648,719.81. (See Note 7)	52,335,909.54
Noncurrent liabilities, including bonds, loans and leases payable are not payable in the current period and therefore are not reported as liabilities in the funds (See Note 8).	
Total Noncurrent Liabilities	(9,646,782.92)
Deferred loss on defeasance of debt, unamortized (See Note 8C)	33,741.44
Certain liabilities are not due and payable in the current period, and therefore, are not reported in funds:	
Accrued Interest Payable:	
(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance.)	(2,850.00)
Accrued Pension Liability:	
(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year June 30, 2024, however will be raised in the budget for the fiscal year ending June 30, 2026.)	(475,850.00)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 9)	(2,982,180.00)
Net assets of governmental activities (A-1)	$ 50,719,082.56

See accompanying Notes to Financial Statements

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
Revenues					
Local sources:					
Local tax levy	$ 18,343,924.00			$ 1,010,451.00	$ 19,354,375.00
Miscellaneous - Restricted	44,747.83	$ 231,405.45			276,153.28
Miscellaneous - Unrestricted	276,520.32				276,520.32
Total - Local Sources	$ 18,665,192.15	$ 231,405.45		$ 1,010,451.00	$ 19,907,048.60
State Sources	42,896,560.44	5,416,102.59			48,312,663.03
Federal Sources	86,974.24	2,181,816.00			2,268,790.24
Total Revenues	$ 61,648,726.83	$ 7,829,324.04		$ 1,010,451.00	$ 70,488,501.87
Expenditures					
Current:					
Regular Instruction	$ 11,211,425.52				$ 11,211,425.52
Special Education Instruction	4,803,335.03	$ 3,088,105.11			7,891,440.14
Other Special Instruction	1,750,804.49				1,750,804.49
Other Instruction	808,970.41				808,970.41
Support Services and Undistributed Costs:					
Tuition	707,135.54				707,135.54
Student and Instruction Related Services	1,873,129.04	1,893,638.86			3,766,767.90
Other Administrative Services	3,445,345.66				3,445,345.66
School Administrative Services	3,497,759.02				3,497,759.02
Plant Operations and Maintenance	5,270,316.10				5,270,316.10
Pupil Transportation	2,070,609.44				2,070,609.44
Employee Benefits	18,179,019.76	852,994.94			19,032,014.70
Transfer to Charter Schools	430,543.00				430,543.00
Debt Service:					
Principal				$ 965,000.00	965,000.00
Interest				66,050.00	66,050.00
Capital Outlay	7,003,889.15	1,973,877.84	$ 5,079,868.84		14,057,635.83
Total Expenditures	$ 61,052,282.16	$ 7,808,616.75	5,079,868.84	$ 1,031,050.00	$ 74,971,817.75
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 596,444.67	$ 20,707.29	(5,079,868.84)	(20,599.00)	$ (4,483,315.88)
Other Financing Sources/(Uses):					
Leases (Nonbudgeted)	$ 33,376.20				$ 33,376.20
Transfers In/(Out)	(20,600.00)			$ 20,600.00	
Prior Year Receivable Cancelled	(168,435.58)				(168,435.58)
Total Other Financing Sources/(Uses)	(155,659.38)			20,600.00	(135,059.38)
Net Change in Fund Balances	$ 440,785.29	$ 20,707.29	$ (5,079,868.84)	$ 1.00	$ (4,618,375.26)
Fund Balance, July 1	10,805,785.06	189,815.69	5,079,868.84	0.17	16,075,469.76
Fund Balance (Deficit), June 30	$ 11,246,570.35	$ 210,522.98		$ 1.17	$ 11,457,094.50

See accompanying Notes to Financial Statements

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds		$ (4,618,375.26)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:		
Capital outlay 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 depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Capital outlay	$ 14,057,635.83	
Lease payments charged to capital outlay	(2,044,746.99)	
Depreciation expense	(3,055,585.72)	8,957,303.12
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement activities; issuing debt increases long-term liabilities in the statement of net assets		
Leases		(33,376.20)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
Bonds	$ 965,000.00	
Financed Purchases	1,786,531.64	2,751,531.64
Governmental funds report right-of-use principal payments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization expense exceeded right-of-use principle payments in the period:		
Lease amortization expense	$ (77,626.73)	
Lease principal payments	77,793.96	
Subscription amortization expense	(92,048.23)	
Subscription principal payments	35,000.00	(56,881.00)
Governmental funds report the effect of premiums and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the premiums on bonds.		
Amortization of premium		55,708.86
Governmental funds report the effect of defeasances and similar items when the debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This represents the following related to the deferred loss of refunding.		
Amortization of deferred loss		(19,280.84)
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due; when the accrued interest is decreased, the difference is a reduction in the reconciliation.		2,654.17
Net pension (expense)/benefit related to PERS which is attributable to June 30, 2025 is not reported in governmental funds; however, it is reported in the statement of activities.		(92,715.00)
In the statement of activities, certain operating expenses, e.g. compensated absences (sick pay) 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.		(40,568.73)
Change in Net Position of Governmental Activities		$ 6,906,000.76

PROPRIETARY FUNDS

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Fund
	Food Service Total Enterprise
ASSETS	
Current Assets:	
Cash and Cash equivalents	$ 197,317.58
Accounts receivable:	
State sources	4,244.72
Federal sources	82,346.74
Inventories	27,479.25
Total Current Assets	$ 311,388.29
Noncurrent assets:	
Furniture, machinery and equipment	$ 1,386,217.64
Less: accumulated depreciation	599,573.37
Total Noncurrent Assets	$ 786,644.27
Total Assets	$ 1,098,032.56
LIABILITIES	
Current liabilities:	
Short-term portion of lease payable	$ 61,295.74
Total current liabilities	$ 61,295.74
Total Liabilities	$ 61,295.74
NET POSITION	
Invested in Capital Assets	$ 725,348.53
Unrestricted	311,388.29
Total Net Position	$ 1,036,736.82

See accompanying Notes to Financial Statements

Exhibit B-5

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Fund
	Food Service Total Enterprise
Operating Revenues:	
Local Sources:	
Daily sales - reimbursable programs:	$ 319,753.05
Miscellaneous revenue	8,081.35
Total operating revenues	$ 327,834.40
Operating Expenses:	
Cost of sales - reimbursable	$ 719,503.83
Cost of sales - non-reimbursable	62,565.55
Salaries	477,194.48
Employee benefits	75,981.86
Insurance	79,910.86
General supplies	26,355.49
Depreciation	69,459.85
Other purchased services	29,974.21
Management fee	86,280.09
Miscellaneous expenses	2,302.79
Total operating expenses	$ 1,629,529.01
Operating income/(loss)	$ (1,301,694.61)
Nonoperating revenues:	
State sources:	
School lunch program	$ 40,920.39
School breakfast program	16,028.03
Summer food program	253.10
Federal sources:	
School lunch program	835,617.89
School breakfast program	249,786.47
After school snacks	45,629.10
Summer food program	7,396.85
Food distribution system	148,305.81
Total nonoperating revenues	$ 1,343,937.64
Change in net position	$ 42,243.03
Total net position - beginning	994,493.79
Total net position - ending	$ 1,036,736.82

See accompanying Notes to Financial Statements

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Funds
	Food Service Total Enterprise
Cash Flows from Operating Activities	
Receipts from Customers	$ 327,834.40
Payments to Employees	(477,194.48)
Payments for Employee Benefits	(75,981.86)
Payments to Suppliers	(1,011,862.17)
Net Cash Provided by/(Used for) Operating Activities	$ (1,237,204.11)
Cash Flows from Capital Financing Activities	
Lease Payment	$ (60,248.60)
Net Cash Provided by/(Used for) Capital Financing Activities	$ (60,248.60)
Cash Flows from Noncapital Financing Activities	
State Sources	$ 62,308.73
Federal Sources	1,399,277.10
Net Cash Provided by/(Used for) Noncapital Financing Activities	$ 1,461,585.83
Cash Flow from Investing Activities	
Acquisition of Fixed Assets	(157,312.50)
Net Cash Provided by/(Used for) Investing Activities	$ (157,312.50)
Net Increase/(Decrease) in Cash and Cash Equivalents	$ 6,820.62
Balances - Beginning of Year	190,496.96
Balances - End of Year	$ 197,317.58
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Gain/(Loss)	$ (1,301,694.61)
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:	
Depreciation	$ 69,459.85
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(4,969.35)
Total Adjustments	$ 64,490.50
Net Cash Provided/(Used) by Operating Activities	$ (1,237,204.11)

See accompanying Notes to Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The South River Borough School District (the "District") is a Type II district located in the County of Middlesex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three-year staggered terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2025 of 2,424 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund – The General Fund is the general operating fund of the District. It 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 that are classified in the Capital Outlay subfund. The fund also includes payroll agency, payroll net, and unemployment reserve accounts.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

Special Revenue Fund – The Special Revenue Find is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. The fund also includes scholarship accounts and student activity accounts.

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. This fund is not applicable in this fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type

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

Enterprise Fund – The Enterprise Fund is utilized 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 (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on the statement of net position. Their reported fund equity (net position) is segregated into net investment in capital assets and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

3. Noncurrent Debt

Noncurrent liabilities expected to be financed from governmental funds are accounted for in the General Noncurrent Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the statement of net position. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue, and debt service funds. The budgets are approved and voted on by the Board of Education of the District, submitted to the County office for approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c.202, which became effective January 17, 2012, the district elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.). All budget amendments must be approved by School Board resolution and certain others require approved by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. There amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Refer to Exhibit C-3 for a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrances

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

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

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 yearend.

G. Assets, Liabilities and Equity

1. 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. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

2. Inventories and Prepaid Expenses

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

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

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

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

5. Tuition Payable

Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

6. Short-Term Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	8 years
Office and Computer Equipment	5-10 years
Instructional Equipment	10 years
Grounds Equipment	15 years
Food Service Equipment	7-20 years

8. Lease Assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

9. Subscription Assets

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

10. Deferred Outflows/Inflows of Resources

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

11. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

12. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable 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.

13. Leases Payable

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

14. Subscriptions Payable

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

15. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. (Refer to Note 8-C).

16. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

17. Unearned (Deferred) Revenue

Unearned revenue in the special revenue fund represents federal and state grants that have been received but not yet earned.

18. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

19. Fund Balance Reserves

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

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

b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.

d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

19. Fund Balance Reserves (Continued)

e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

20. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund, (the Food Service) are charges to customers for sales of food service.

Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

21. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security, post-retirement medical pension and contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

22. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

23. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

24. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

25. Management Estimates

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

H. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 104. Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2025 through January 15, 2026, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as sort-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at fair value, which is in excess of cost value. The District classifies securities that have original maturity date of more than three months from the date of purchase as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

Deposits

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

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

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

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

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

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Custodial Credit Risk – The District had no securities as of June 30, 2025 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2025, the District had $287,581.85 on deposit with the New Jersey Cash Management Fund.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Allocation of Cash and Cash Equivalents

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

Allocation:		
Unrestricted		$ 8,270,887.11
Restricted:		
Maintenance Reserve	$ 635,300.00	
Capital Reserve	2,980,518.49	
Unemployment Compensation	408,058.11	
		4,023,876.60
		$ 12,294,763.71
Cash and Cash Equivalents:		
Checking Accounts, interest bearing		$ 11,976,755.33
New Jersey Cash Management Fund (NJCMF)		301,138.94
Investment - US Treasury Note 6.375% due August 15, 2027 (Face Value $16,000.00)		16,869.44
		$ 12,294,763.71
Reconciliation:		
Governmental Funds		$ 12,097,446.13
Proprietary Funds		197,317.58
		$ 12,294,763.71

Risk Analysis – All of the balances were covered by either federal depository insurance or Government Unit Deposit Protection Act ("GUDPA") and are considered to have minimal custodial risk. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk.

4. RESERVE ACCOUNTS

A. CAPITAL RESERVE

A Capital Reserve Account was established by Board Resolution and Budget Appropriation in a prior year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The combined Capital Reserve Account balance at June 30, 2025 is $2,980,518.49 and is reflected in the General Fund.

The cumulative activity of the capital reserve as of June 30, 2025 fiscal year is as follows:

Board Contributions:		
Prior to June 30, 2024	$ 12,149,016.62	
During fiscal year ended June 30, 2025	1,499,999.00	$ 13,649,015.62
Interest Earnings:		
Prior to June 30, 2024	$ 1,822.38	
During fiscal year ended June 30, 2025	1.00	$ 1,823.38
Withdrawals:		
Prior to June 30, 2024	$ 6,289,533.00	
During fiscal year ended June 30, 2025	4,380,787.51	$ 10,670,320.51
Balance at June 30, 2025		$ 2,980,518.49

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.* 19:60-2. Pursuant to *N.J.A.C.* 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

4. RESERVE ACCOUNTS

B. MAINTENANCE RESERVE

The School District established a maintenance reserve account 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 yearend of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four (4) percent of the replacement cost of the school district's school facilities for the current year.

The cumulative activity of the maintenance reserve as of June 30, 2025 fiscal year is as follows:

Contributions from Board		
Prior to June 30, 2024	$ 1,626,000.00	
During year ended June 30, 2025	200,000.00	
		$ 1,826,000.00
Less Withdrawals:		
Prior to June 30, 2024	$ 850,700.00	
During year ended June 30, 2025	340,000.00	
		$ 1,190,700.00
Balance June 30, 2025		$ 635,300.00

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2025 consisted of Federal sources, State sources and State aid. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Activities
General Fund:	
Federal:	
Medical Assistance Program	$ 27,802.41
State:	
Extraordinary Aid	$ 436,158.00
Non-Public Transportation - Cost Reimbursement	42,018.00
TPAF FICA Reimbursement	73,086.84
Menstrual Product Aid	8,152.00
	$ 559,414.84
	$ 587,217.25
Special Revenue Fund:	
Federal:	
Title I	$ 94,857.33
Title I SIA	3,386.00
Title II - Part A	43,157.00
Title III - Part A	15,295.26
Title III - Immigrant	3,189.00
Title IV	7,459.77
IDEA Part B	237,526.15
IDEA Preschool	9,602.35
21st Century	225,732.02
IDEA CCLC Supplemental	10,105.14
Adult Basic Education	69,742.19
	$ 720,052.21
State:	
Advanced Placement	$ 9,772.40
Computer Science	9,882.41
Preschool Addition	466,812.00
	$ 486,466.81
Local: ESCNJ Nonpublic	$ 28,428.00
	$ 1,234,947.02
Total	$ 1,822,164.27

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	Business Type
Proprietary Fund:	
Enterprise Fund	
Federal Sources:	
Breakfast	$ 18,959.40
Lunch	61,693.34
After School Snacks	1,694.00
	$ 82,346.74
State Sources:	
Breakfast	$ 1,252.20
Lunch	2,992.52
	$ 4,244.72
Total	$ 86,591.46

6. INVENTORY

The value of Federal donated commodities as reflected on Exhibit K-3 of $148,305.81 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2025, the federal donated commodities food inventory of $8,933.88 was included in the year end food and supplies amount of $27,479.25.

7. CAPITAL ASSETS, NET

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Adjustments/ (Retirements)	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	$ 9,000,000.00		$ (9,000,000.00)	
Total capital assets not being depreciated	$ 9,000,000.00		$ (9,000,000.00)	
Capital assets being depreciated:				
Site and Site Improvements	$ 4,411,872.69	$ 2,057,198.82		$ 6,469,071.51
Building and Building Improvements	62,977,001.56	3,943,263.27	$ 9,000,000.00	75,920,264.83
Machinery and Equipment	4,910,495.44	841,324.37		5,751,819.81
Vehicles	132,819.60	57,857.34		190,676.94
Total capital assets being depreciated	$ 72,432,189.29	$ 6,899,643.80	$ 9,000,000.00	$ 88,331,833.09
Capital assets being amortized:				
Right of use - Leases	$ 277,130.72	$ 33,376.20		$ 310,506.92
Right of use - Subscriptions	447,289.34		$ (105,000.00)	342,289.34
Total capital assets being amortized	$ 724,420.06	$ 33,376.20	$ (105,000.00)	$ 652,796.26
Less accumulated depreciation for:				
Site and Site Improvements	$ (2,284,121.67)	$ (154,737.77)		$ (2,438,859.44)
Building and Building Improvements	(28,083,244.09)	(2,550,088.31)		(30,633,332.40)
Machinery and Equipment	(2,740,253.28)	(349,252.94)		(3,089,506.22)
Vehicles	(132,819.60)	(1,506.70)		(134,326.30)
Total accumulated depreciation	$ (33,240,438.64)	$ (3,055,585.72)		$ (36,296,024.36)
Less accumulated amortization for:				
Right of use - Leases	$ (103,924.02)	$ (77,626.73)		$ (181,550.75)
Right of use - Subscriptions	(184,096.47)	(92,048.23)	$ 105,000.00	(171,144.70)
Total accumulated amortization	$ (288,020.49)	$ (169,674.96)	$ 105,000.00	$ (352,695.45)
Total capital assets being depreciated, net of accumulated depreciation	$ 39,191,750.65	$ 3,844,058.08	$ 9,000,000.00	$ 52,035,808.73
Total capital assets being amortized, net of accumulated amortization	436,399.57	(136,298.76)		300,100.81
Governmental activities capital assets, net	$ 48,628,150.22	$ 3,707,759.32	$	$ 52,335,909.54
Business-Type Activities:				
Furniture, machinery and equipment	$ 1,036,027.52	$ 157,312.50	$ (1,179.52)	$ 1,192,160.50
Building improvements	194,057.14			194,057.14
Totals at historical cost	$ 1,230,084.66	$ 157,312.50	(1,179.52)	$ 1,386,217.64
Less accumulated depreciation for:				
Furniture, machinery and equipment	$ (490,242.05)	$ (65,434.41)	$ 1,179.52	$ (554,496.94)
Building improvements	(41,050.99)	(4,025.44)		(45,076.43)
Total accumulated depreciation	$ (531,293.04)	$ (69,459.85)	1,179.52	$ (599,573.37)
Business type activities capital assets, net	$ 698,791.62	$ 87,852.65		$ 786,644.27

Detail of Additions:	
General Fund	$ 4,925,765.96
Special Revenue Fund	1,973,877.84
	$ 6,899,643.80

7. CAPITAL ASSETS, NET (CONTINUED)

Depreciation expense was charged to functions as follows:

Regular Instruction	$ 862,616.61
Special Education Instruction	607,174.11
Other Special Instruction	134,708.39
Other Instruction	62,242.87
Support Services and Undistributed Cost:	
Student and Instruction Related Services	289,818.32
School Administrative Services	269,120.55
General and Business Administrative Services	265,087.82
Plant Operations and Maintenance	405,502.60
Pupil Transportation	159,314.45
	$ 3,055,585.72

8. NONCURRENT DEBT

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

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
Governmental Activities:						
Bonds Payable - General Obligation Debt	$ 1,820,000.00		$ (965,000.00)	$ 855,000.00	$ 515,000.00	$ 340,000.00
Add - Premium on Sale of Bonds	153,203.41		(55,708.86)	97,494.55	55,708.86	41,785.69
	1,973,203.41		(1,020,708.86)	952,494.55	570,708.86	381,785.69
Financed Purchases	9,400,889.45		(1,786,531.64)	7,614,357.81	1,801,292.88	5,813,064.93
Lease Obligations	154,937.59	$ 33,376.20	(77,793.96)	110,519.83	80,696.50	29,823.33
Subscription Obligations	35,000.00		(35,000.00)			
Compensated Absences Payable	928,842.00	40,568.73 *		969,410.73	96,941.07	872,469.66
	10,519,669.04	73,944.93	(1,899,325.60)	8,694,288.37	1,978,930.45	6,715,357.92
	$ 12,492,872.45	$ 73,944.93	$ (2,920,034.46)	$ 9,646,782.92	$ 2,549,639.31	$ 7,097,143.61
Business-Type Activities:						
Lease Obligations	$ 121,544.34		$ (60,248.60)	$ 61,295.74	$ 61,295.74	

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

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality(ies) through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2025, the District had the following serial bonds outstanding:

General Serial Bonds:

$3,425,000 of Refunding School Bonds Series 2020 - Refinanced $3,680,000 of 2011 Series bonds maturing on or after June 2, 2021. Annual maturities commenced June 1, 2021 ranging from $340,000 to $515,000 at an interest rate of 4.00%. The bonds were sold at a premium of $389,966 and resulted in a loss on defeasance (retirement) of $134,966. The bonds are not subject to redemption prior to maturity.	$ 855,000.00

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. This requirement has been complied with for the year ended June 30, 2025.

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable (Continued)

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

	School Refunding Bonds Series 2020		
Year	Principal	Interest	Total
Next two (2) year			
2026	$ 515,000	$ 34,200	$ 549,200
2027	340,000	13,600	353,600
	$ 855,000	$ 47,800	$ 902,800

B. Bonds and Notes Authorized but Not Issued

As of June 30, 2025 there were no bonds and notes authorized but not issued.

C. Defeasance

As a result of the accounting requirement under GASB#23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the "straight-line".

Unamortized Loss on Defeasance of Debt

Refunding Bonds	Loss	Beginning Balance	Amortization	Ending Balance
2020 Series	$ 134,965.85	$ 53,022.28	$ 19,280.84	$ 33,741.44

8. NONCURRENT DEBT (CONTINUED)

D. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees earn sick leave at the rate of one day for each month of service. Upon departure from the district, teachers who have obtained tenure and ten month support staff who have completed three or more years of employment shall be paid for accumulated sick leave at the rate of ¼ of the unused accumulated sick leave multiplied by 1/200 of the last annual contracted salary. Twelve month employees who have completed three or more years of employment shall be paid at the rate of ¼ of the unused accumulated sick leave multiplied by 1/240 of the last annual contracted salary.

For teachers employed after September 1, 1981, the sick leave payment shall be limited to no more than $15,000.00. For all support staff employed after September 1, 1981, the sick leave payment shall be limited to no more than $15,000.00.

Twelve month employees earn vacation, the carryover of which is limited to August 31, of the year following the time earned.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance of compensated absences.

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

8. NONCURRENT DEBT (CONTINUED)

E. Financed Purchases

The District executed a $9,000,000 financed purchase of a preschool facility on District property at an interest rate of 4.669% requiring annual payments of $2,044,747 commencing October 1, 2024 through October 1, 2028.

The District also executed a $490,889 financed purchase of furniture for the elementary, middle and high school at an interest rate of 4.90% requiring annual payments ranging from $90,000 to $112,793, commencing August 23, 2023 through August 23, 2027.

Principal and interest due on financed purchases outstanding are as follows:

	Furniture		
Year	Principal	Interest	Total
2026	$ 97,714	$ 15,079	$ 112,793
2027	102,502	10,291	112,793
2028	107,524	5,269	112,793
	$ 307,740	$ 30,639	$ 338,379

	Preschool Facility		
Year	Principal	Interest	Total
2026	$ 1,703,579	$ 341,168	$ 2,044,747
2027	1,783,124	261,623	2,044,747
2028	1,866,384	178,363	2,044,747
2029	1,953,531	91,216	2,044,747
	$ 7,306,618	$ 872,370	$ 8,178,988

	TOTAL FINANCED PURCHASES		
Year	Principal	Interest	Total
2026	$ 1,801,293	$ 356,247	$ 2,157,540
2027	1,885,626	271,914	2,157,540
2028	1,973,908	183,632	2,157,540
2029	1,953,531	91,216	2,044,747
	$ 7,614,358	$ 903,009	$ 8,517,367

8. NONCURRENT DEBT (CONTINUED)

F. Lease Obligations

In June 2017, the GASB issued GASB No. 87, *Leases*. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the statement of net position and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease obligation, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.

The District adopted this new accounting standard on July 1, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning net position. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The District elected a package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of historical lease classification.

Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expended on a straight line basis over the lease term. Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

8. NONCURRENT DEBT (CONTINUED)

F. Lease Obligations (Continued)

Various Equipment Leases

The District has entered into lease agreements for copy machines and food service equipment. The future minimum lease obligations and the net present value of the future payments, with an imputed or stated interest rate ranging from 3.520% to 4.250% at June 30, 2025 are as follows:

Total minimum lease payments remaining	$ 177,141.04
Less: Amount representing interest	5,325.47
Present value of minimum lease payments	$ 171,815.57

Principal and interest due on lease obligations outstanding at June 30, 2025 are as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 80,696.50	$ 3,015.50	$ 83,712.00
2027	20,884.11	847.89	21,732.00
2028	8,939.22	396.78	9,336.00
	$ 110,519.83	$ 4,260.17	$ 114,780.00

Business-Type Activities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 61,295.74	$ 1,065.30	$ 62,361.04

G. Subscription Obligations

The District has entered into six (6) agreements for the use of educational and financial software. The subscription liability is measured at an interest rate of 0% and has a remaining balance of $0.00 at June 30, 2025. As a result of the subscriptions the District has recorded a right-of-use asset with a net book value of $171,144.64 at June 30, 2025. Amortization of the subscriptions are included in capital assets.

9. PENSION PLANS

Description of Plans: All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division of Pension issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund.

Teachers' Pension and Annuity Fund (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A. 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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, 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.

9. PENSION PLANS (CONTINUED)

Description of Plans (Continued)

Public Employees' Retirement System (PERS)

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

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, 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 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.

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

9. PENSION PLANS (CONTINUED)

Funding Policy (Continued)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclosure the portion of the nonemployer contributing entities total proportionate share of the net pension liability that is associated with the local participating employer.

During the year ended June 30, 2025 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend Information for PERS

Fiscal Year Ended June 30,	Net Cost to District	Percentage of APC Contributed	Employee Contribution
2025	$ 463,805	100%	$ 229,798
2024	416,724	100%	211,921
2023	289,954	100%	192,436

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

Fiscal Year Ended June 30	Pension Paid on-behalf of District: Cost (APC)	APC Contributed	Total On-Behalf of	Employee Contribution	TPAF FICA
2025	$ None	100%	$ 6,526,921	$ 1,544,329	$ 1,493,725
2024	None	100%	6,487,328	1,426,764	1,373,049
2023	None	100%	6,017,985	1,369,070	1,323,726

During the fiscal year ended June 30, 2025, the State of New Jersey contributed $6,526,921 to the TPAF for normal pension. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $1,493,725 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2024 and June 30, 2023 Independent Auditor's Report dated June 11, 2025 and May 24, 2024, respectively.

The District reported a liability of $4,631,470 and $4,516,171 for its proportionate share of the net pension liability as of June 30, 2025 and June 30, 2024, respectively. The net pension liability was measured as of June 30, 2024 and June 30, 2023 (the *Measurement Date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 and July 1, 2022, which were rolled forward to the respective measurement dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportion of the collective pension liability is as follows:

	June 30, 2024	June 30, 2023
District Proportionate Share	0.0340848844 %	0.0311796110 %
Difference - Increase	0.0029052734	

For the year ended June 30, 2025, the District recognized pension expense of $92,715. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 5,754	$ 52,695
Difference between expected and actual experience	92,777	12,330
Net difference between projected and actual savings on pension plan investments		214,749
Changes in proportion	1,354,909	226
District contributions subsequent to the measurement date	475,850	
Total	$ 1,929,290	$ 280,000

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The $475,850 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

Fiscal Year Ending June 30,	Amount
2026	$ 1,273,127
2027	(985,108)
2028	566,754
2029	327,182
2030	(8,515)
	$ 1,173,440

Additional Information

Collective balances of the Local Group are as follows:

	June 30, 2024	June 30, 2023
Collective deferred outflows of resources	$ 1,079,580,780	$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,702,423,985	14,606,489,066
Collective pension expense/(benefit)	372,160,096	(79,181,803)
District's proportion (of Local Group)	0.0340848844 %	0.0311796110 %

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 rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

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

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

Long-Term Rate of Return

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

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024 (*measurement date*). The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the state employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers 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:

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate (Continued)

	June 30, 2024 [*Measurement Date*]		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the pension liability	$ 6,154,085	$ 4,631,470	$ 3,335,733

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2024 State special funding situation net pension liability amount of $114.4 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of $53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District has the following attributed to it related to the Special Funding Situation:

		Employer's Pension Expense and Related Revenues	
December 31,	District's Proportionate Share	Ch.133 P.L. 2001 State Total	District's Share
2024	0.0342423589 %	$ 43,606,492	$ 14,932
2023	0.0312979907	45,000,471	14,084
2022	0.0230849585	31,626,530	7,301

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions/gasb-notices.shtml.

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2024 and June 30, 2023 Independent Auditor's Reports dated June 11, 2025 and May 24, 2024.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2025 (*measurement date* of June 30, 2024) was as follows:

Net Pension Liability:	
District's proportionate share	None
State's proportionate share associated with the District	$ 74,394,884
	$ 74,394,884

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 net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The proportion of the TPAF net pension liability associated with the District is as follows:

	June 30, [*Measurement Date*]	
	2024	2023
District Proportionate Share	0.1505204318 %	0.1451944090 %
Difference - Increase	0.0053260228	

For the year ended June 30, 2025, the District recognized pension benefit of $271,381 for contributions provided by the State.

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

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

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

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2025 (*measurement date* June 30, 2024) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentgae-point higher than the current rate:

	At 1% Decrease 6.00%	At Current Discount Rate 7.00%	At 1% Increase 8.00%
State's proportionate share of the net pension associated with the District	$ 88,428,851	$ 74,394,884	$ 62,575,630

Pension Plan Fiduciary Net Position

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

Collective balances of the Local Group are as follows:

	June 30, 2024	June 30, 2023
Collective deferred outflows of resources	$ 1,176,934,477	$ 2,498,730,891
Collective deferred inflows of resources	10,530,833,639	14,719,080,314
Collective net pension liability	49,425,106,602	51,032,669,551
Collective pension expense/(benefit)	(148,167,647)	1,292,291,943
District's proportion (of Local Group)	0.1505204318 %	0.1451944090 %

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2024 and June 30, 2023 Independent Auditor's Reports dated September 26, 2025 and August 21, 2024, respectively.

State Health Benefit State Retired Employees Plan

In Fiscal Year 2024, the State funded the various defined benefit pension systems at 105 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2023, which is required to be recorded on the financial statements, is $79.4 billion. The Fiscal Year 2025 projected aggregate State contribution to the pension plans of $7.2 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2024, the State paid PRM benefits for 161,268 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2024, the State contributed $2.3 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from $2.1 billion in Fiscal Year 2023. The State has appropriated $2.4 billion in Fiscal Year 2025 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2024 State OPEB liability to provide these benefits is $76.9 billion, an increase of $2.0 billion, or 2.6 percent from the $74.9 billion liability recorded in Fiscal Year 2023. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

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

Fiscal Year Ended June 30,	Post-Retirement Medical
2025	$ 1,907,172.00
2024	1,765,613.00
2023	1,580,910.00

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent.

The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's ACFR: (https://www.nj.gov/treasury/omb/fr.shtml).

The portion of the TPAF OPEB Liability that was associated with the District recognized at June 30, 2025 was as follows:

Net OPEB Liability:	
District's proportionate share	None
State's proportionate share associated with the District	$ 74,872,684
	$ 74,872,684

The proportion of the PERS and TPAF Net OPEB Liability associated with the District's liability is as follows:

June 30, [*Measurement Date*]	
2024	2023
0.1255186799 %	0.1247572990 %

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 [*measurement date*] was determined by an actuarial valuation as of June 30, 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 *(based on service years)*	PERS *(based on service years)*
Salary increases	2.75 - 5.65%	2.75 - 6.55%

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after nine (9) years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine (9) years. For the Medicare Part B reimbursement, the trend rate is 5.0%. '

Discount Rate

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

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following represents the total nonemployer OPEB liability associated with the District 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 *[Measurement Date]*		
At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
$ 87,691,948	$ 74,872,684	$ 64,563,335

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB associated with the District 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 healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2024 *[Measurement Date]*		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
$ 62,369,491	$ 74,872,684	$ 91,158,918

Shown below are details regarding the Total OPEB Liability for the measurement period from June 30, 2023 to June 30, 2024:

	Total OPEB Liability
Balance as of June 30, 2023 *[Measurement Date]*	$ 65,325,003
Changes Recognized for the Fiscal Year:	
Service Cost	$ 3,182,231
Interest Cost	2,464,631
Changes of Benefit Term	
Difference between Expected and Actual Expenditure	117,174
Changes of Assumptions	5,601,473
Gross Benefit Payments	(1,882,279)
Member Contributions	64,451
Net Changes	$ 9,547,681
Balance as of June 30, 2024 *[Measurement Date]*	$ 74,872,684

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

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

The components of the Net OPEB Liability as of June 30, 2024 are as follows:

	[Measurement Date] June 30, 2024
Total OPEB Liability	$ 74,872,684
Plan Fiduciary Net Position	None
Net OPEB Liability	$ 74,872,684
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	$ 3,459,784

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

For the year ended June 30, 2025, the board of education recognized OPEB expense of $3,459,784 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2024 under GASB No. 75 prior to any reduction due to the Fiscal Year 2025 amortizations.

	Deferred Outflows	Deferred Inflows
Changes of Assumptions	$ 12,558,116	$ 14,638,751
Differences between Expected and Actual Experience	8,006,752	13,982,413
Changes in Proportion	4,393,297	1,107,872
Sub-total	24,958,165	29,729,036
After June 30, 2024 *Measurement Date*	None	None
Total	$ 24,958,165	$ 29,729,036

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense/(revenue) as follows:

Fiscal Year Ending June 30,	
2026	$ (2,655,822)
2027	(2,226,922)
2028	(1,057,717)
2029	277,986
2030	(1,930,133)
Total Thereafter	(463,689)

Additional Information

Collective balances of the Local Education Group are as follows:

	June 30, 2024	June 30, 2023
Deferred outflows of resources	$ 18,640,445,786	$ 17,347,811,894
Deferred inflows of resources	25,058,850,175	30,503,688,706
Net OPEB liability	59,650,630,530	52,361,668,239
OPEB Expense	1,999,742,665	1,369,124,126

Other

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.

11. DEFERRED COMPENSATION

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

12. RISK MANAGEMENT

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

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

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

Health Benefits: The Board of Education has procured medical insurance coverage for its employees under a monthly per employee premium (traditional plan).

Other Coverage: The Board has contracted with a commercial insurance company to provide coverage for various losses. The coverages are subject to various deductibles and coverage limits based on the type of policy coverage included. The coverages and its limits are detailed in the statistical section. The Board also maintains surety bond coverage on key financial employees.

13. INTERFUND RECEIVABLES AND PAYABLES

There was no interfund balance remained on the balance sheet at June 30, 2025.

14. FUND BALANCE APPROPRIATED

General Fund - Of the $11,246,570.35 General Fund fund balance at June 30, 2025, $2,980,518.49 is restricted for Capital Reserve; $2,554,582.98 is restricted - excess surplus – designated for subsequent year's expenditures, $3,252,099.44 is assigned - yearend encumbrances, $635,300.00 is restricted for maintenance reserve, $374,762.76 is restricted for unemployment compensation, and $1,449,306.68 is reserved for excess surplus.

Special Revenue Fund – Of the $210,522.98 Special Revenue Fund fund balance, $20,578.22 is restricted for scholarships and $189,944.76 is restricted for student activities.

Debt Service Fund – Of the $1.17 Debt Service Fund fund balance at June 30, 2025, all is restricted for debt service.

15. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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. There was excess fund balance as a result of the fiscal year ended June 30, 2024 of $2,554,582.98 and as a result of the fiscal year ended June 30, 2025 of $3,657,394.97.

16. RECONCILIATION OF FUND BALANCES – GENERAL FUND

The surpluses are presented on a GAAP basis and reconciliation to the budget basis is as follows:

	Unassigned	Excess Surplus
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	$ 1,070,441.71	$ 3,657,394.97
Less:		
Allocation of State Aid Payment of $3,278,530 not Recognized on GAAP Basis	1,070,441.71	2,208,088.29
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	$ None	$ 1,449,306.68

17. DEFICIT FUND BALANCES – SPECIAL REVENUE FUND

The District had no deficit fund balance in the Special Revenue Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two (2) state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. There is no deficit in the Special Revenue Fund as of June 30, 2025 due to the fact that the expenditures did not exceed the recognizable revenue (under GAAP).

18. CONTINGENT LIABILITIES

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

B. **Pending Litigation** - As of the date of this report, in the opinion of the Board Attorney and management, there was no litigation pending of which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.

C. **Contractual Commitments** – The District has contractual commitments at June 30, 2025, to various venders, which are recorded as fund balance assigned – yearend encumbrances in the amount of $3,252,099.44 in the General Fund.

19. ECONOMIC DEPENDENCY

The 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 District's programs and activities.

20. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consists of capital assets net of accumulated depreciation, accumulated amortization and reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investments in capital assets of $43,692,278.79 and $725,348.53 are calculated as follows:

	Amount	
	Governmental	Business-Type
Capital assets, net of depreciation and amortization	$ 52,335,909.54	$ 786,644.27
Bonds payable (*used to build or acquire capital assets*)	(855,000.00)	
Financed purchases payable	(7,614,357.81)	
Deferred loss on defeasance of debt	33,741.44	
Unamortized deferred premium	(97,494.55)	
Leases payable	(110,519.83)	(61,295.74)
	$ 43,692,278.79	$ 725,348.53

21. TAX ABATEMENTS

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

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

The Borough of South River provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Borough of South River are for two (2) senior citizen housing projects and religious entities. Taxes abated include municipal, local school and county taxes.

The Borough of South River realized revenue of $88,266.90 from the annual service charge in lieu of payment of taxes in 2024 that otherwise would have been due on these long-term tax exemptions amounted to $271,385.41 based upon the assessed valuation of the long-term tax exemption properties. A portion of the $183,118.51 tax abatement would have been allocated to the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	$ 18,343,924.00		$ 18,343,924.00	$ 18,343,924.00	
Miscellaneous - Restricted				44,745.83	$ 44,745.83
Miscellaneous - Unrestricted	15,000.00		15,000.00	276,520.32	261,520.32
Interest Earned on Capital Reserves	1.00		1.00	1.00	
Interest Earned on Maintenance Reserves	1.00		1.00	1.00	
Total - local sources	18,358,926.00		18,358,926.00	18,665,192.15	306,266.15
State sources:					
Categorical Transportation Aid	502,357.00		502,357.00	502,357.00	
Categorical Special Education Aid	2,790,011.00		2,790,011.00	2,790,011.00	
Equalization Aid	28,694,671.00		28,694,671.00	28,694,671.00	
Categorical Security Aid	897,081.00		897,081.00	897,081.00	
Extraordinary Aid	429,478.00		429,478.00	436,158.00	6,680.00
Menstrual Product Aid				8,152.00	8,152.00
Non-public transportation aid				42,018.00	42,018.00
TPAF - on behalf of pension contribution (on behalf - nonbudgeted)				6,526,921.00	6,526,921.00
TPAF - on behalf of post retirement medical (on-behalf - nonbudgeted)				1,907,172.00	1,907,172.00
TPAF - on behalf of non-contributory insurance (on-behalf - nonbudgeted)				3,902.00	3,902.00
Reimbursed TPAF social security contributions (nonbudgeted)				1,493,725.44	1,493,725.44
Total - state sources	33,313,598.00		33,313,598.00	43,302,168.44	9,988,570.44
Federal sources:					
Medical Assistance Program	114,501.00		114,501.00	86,974.24	(27,526.76)
Total - federal sources	114,501.00		114,501.00	86,974.24	(27,526.76)
Total revenues	$ 51,787,025.00		$ 51,787,025.00	$ 62,054,334.83	$ 10,267,309.83

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	$ 523,490.00		$ 523,490.00	$ 523,204.40	$ 285.60
Grades 1 - 5	3,233,486.00	$ 47,688.78	3,281,174.78	3,250,308.61	30,866.17
Grades 6 - 8	2,380,495.00	25,682.51	2,406,177.51	2,396,090.47	10,087.04
Grades 9 - 12	3,480,285.00	(36,556.35)	3,443,728.65	3,380,295.12	63,433.53
Total Regular Programs - Instruction	9,617,756.00	36,814.94	9,654,570.94	9,549,898.60	104,672.34
Home instruction:					
Salaries of teachers	23,000.00	4,122.50	27,122.50	20,126.25	6,996.25
Purchased professional - education services	14,000.00	4,668.00	18,668.00	10,865.25	7,802.75
Total home instruction	37,000.00	8,790.50	45,790.50	30,991.50	14,799.00
Regular programs - undistributed instruction:					
Other salaries for Instruction	246,272.00	5,211.00	251,483.00	224,947.73	26,535.27
Purchased professional educational services	60,517.00	29,550.70	90,067.70	66,538.51	23,529.19
Other purchased professional educational services	512,341.00	289,210.86	801,551.86	572,686.45	228,865.41
Purchased technical services	15,066.00	5,000.00	20,066.00	18,128.00	1,938.00
Other purchased services (400-500 series)	257,990.00	54,262.83	312,252.83	250,603.81	61,649.02
General supplies	1,111,198.00	(275,102.89)	836,095.11	483,233.91	352,861.20
Textbooks	36,245.00	4,099.44	40,344.44	14,397.01	25,947.43
Other objects	750.00		750.00		750.00
Total regular programs - undistributed instruction	2,240,379.00	112,231.94	2,352,610.94	1,630,535.42	722,075.52
Total regular programs	11,895,135.00	157,837.38	12,052,972.38	11,211,425.52	841,546.86
Special education instruction:					
Learning and/or language disabilities:					
Salaries of teachers	57,210.00	79,599.75	136,809.75	130,411.49	6,398.26
Purchased professional educational services	105,991.00		105,991.00	105,991.00	
General supplies	610.00		610.00	136.87	473.13
Total learning and/or language disabilities	163,811.00	79,599.75	243,410.75	236,539.36	6,871.39

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Multiple Disabilities:					
Salaries of teachers	$ 351,065.00	$ 5,070.00	$ 356,135.00	$ 342,564.45	$ 13,570.55
Other salaries for instruction	79,000.00		79,000.00	53,426.10	25,573.90
Purchased professional educational services	357,463.00	85,000.00	442,463.00	435,977.58	6,485.42
General Supplies	2,980.00	968.38	3,948.38	3,004.78	943.60
Total Multiple Disabilities	790,508.00	91,038.38	881,546.38	834,972.91	46,573.47
Resource room/resource center:					
Salaries of teachers	2,816,245.00	(100,893.00)	2,715,352.00	2,680,775.54	34,576.46
Other salaries for instruction	160,000.00	(78,000.00)	82,000.00	53,158.30	28,841.70
Purchased professional educational services	181,599.00	228,425.77	410,024.77	410,024.77	
General supplies	24,460.00	1,869.59	26,329.59	20,603.07	5,726.52
Total resource room/resource center	3,182,304.00	51,402.36	3,233,706.36	3,164,561.68	69,144.68
Autism:					
Salaries of teachers	72,660.00		72,660.00	72,660.00	
Purchased professional educational services	109,266.00		109,266.00	109,055.74	210.26
General Supplies	1,300.00	204.35	1,504.35	1,162.49	341.86
Total Autism	183,226.00	204.35	183,430.35	182,878.23	552.12
Preschool disabilities - full-time:					
Salaries of teachers	231,210.00	17,000.00	248,210.00	239,573.80	8,636.20
Other salaries for instruction	26,000.00	780.00	26,780.00	26,713.05	66.95
Purchased professional educational services	117,016.00		117,016.00	117,016.00	
General supplies	1,080.00	20.61	1,100.61	1,080.00	20.61
Total preschool disabilities	375,306.00	17,800.61	393,106.61	384,382.85	8,723.76
Total special education - instruction	4,695,155.00	240,045.45	4,935,200.45	4,803,335.03	131,865.42
Basic skills/remedial:					
Salaries of teachers	387,870.00	(57,585.00)	330,285.00	330,285.00	
Total basic skills/remedial	387,870.00	(57,585.00)	330,285.00	330,285.00	
Bilingual education:					
Salaries of teachers	1,340,595.00	96,156.75	1,436,751.75	1,420,519.49	16,232.26
Total bilingual education	1,340,595.00	96,156.75	1,436,751.75	1,420,519.49	16,232.26

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
School sponsored co/extracurricular activities:					
Salaries	$ 136,060.00	$ 15,000.00	$ 151,060.00	$ 83,937.24	$ 67,122.76
Purchased services (300-500 series)	115,896.00	(9,400.00)	106,496.00	52,918.45	53,577.55
Supplies and materials	60,998.00	55.42	61,053.42	35,783.50	25,269.92
Other objects	780.00		780.00		780.00
Total school sponsored co/extracurricular activities	313,734.00	5,655.42	319,389.42	172,639.19	146,750.23
School sponsored athletic activities:					
Instruction:					
Salaries	750,339.00	(224,780.00)	525,559.00	418,595.56	106,963.44
Purchased services (300-500 series)	27,650.00	(3,650.00)	24,000.00	3,871.31	20,128.69
Supplies and materials	60,003.00	34,008.30	94,011.30	88,008.52	6,002.78
Other objects	105,497.00	936.51	106,433.51	82,391.33	24,042.18
	943,489.00	(193,485.19)	750,003.81	592,866.72	157,137.09
Support:					
Rentals		44,400.00	44,400.00	29,600.00	14,800.00
Total school sponsored athletic activities	943,489.00	(149,085.19)	794,403.81	622,466.72	171,937.09
Alternate programs:					
Instruction:					
Salaries of Teachers	22,740.00		22,740.00	8,802.00	13,938.00
General Supplies	8,884.00		8,884.00		8,884.00
	31,624.00		31,624.00	8,802.00	22,822.00
Support:					
Salaries	9,328.00		9,328.00	5,062.50	4,265.50
Total alternative programs	40,952.00		40,952.00	13,864.50	27,087.50
Total instructional programs	19,616,930.00	293,024.81	19,909,954.81	18,574,535.45	1,335,419.36

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular		$ 550,930.65	$ 550,930.65	$ 383,631.19	$ 167,299.46
Tuition to other LEAs within the state - special		0.50	0.50		0.50
Tuition to CSSD and regular day schools	$ 356,313.00	(92,598.00)	263,715.00	124,166.10	139,548.90
Tuition to private schools-disabled within the state	351,356.00	181,656.31	533,012.31	199,338.25	333,674.06
Total undistributed expenditures - instruction	707,669.00	639,989.46	1,347,658.46	707,135.54	640,522.92
Attendance and social work:					
Salaries	31,829.00	54,014.84	85,843.84	85,744.53	99.31
Purchased professional and technical services	2,000.00		2,000.00	1,199.19	800.81
Supplies and Materials		500.00	500.00	474.07	25.93
Total attendance and social work	33,829.00	54,514.84	88,343.84	87,417.79	926.05
Health services:					
Salaries	256,575.00	25,350.00	281,925.00	281,536.65	388.35
Purchased professional and technical services	13,850.00		13,850.00	10,230.00	3,620.00
Other purchased professional services	25,000.00	22,270.67	47,270.67	43,532.91	3,737.76
Supplies and materials	7,542.00	504.76	8,046.76	6,240.57	1,806.19
Total health services	302,967.00	48,125.43	351,092.43	341,540.13	9,552.30
Other support services - student-related services:					
Salaries	747,887.00	(55,606.96)	692,280.04	671,295.14	20,984.90
Salaries of other professional staff	75,000.00	229,937.68	304,937.68	301,327.68	3,610.00
Purchased professional educational services	232,097.00	(6,516.25)	225,580.75	208,456.00	17,124.75
Supplies and materials	6,450.00	454.15	6,904.15	6,621.83	282.32
Total other support services - student-related services	1,061,434.00	168,268.62	1,229,702.62	1,187,700.65	42,001.97
Other support services - student-extra. ordinary services:					
Purchased professional - educational services	674,554.00	(247,952.60)	426,601.40	256,470.47	170,130.93
Total other support services - student-extra services	674,554.00	(247,952.60)	426,601.40	256,470.47	170,130.93

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other support services - students - regular:					
Salaries of other professional staff	$ 955,382.00	$ (107,503.80)	$ 847,878.20	$ 834,098.31	$ 13,779.89
Salaries of secretarial and clerical assistants	94,765.00	(15,000.00)	79,765.00	72,132.26	7,632.74
Purchased professional educational services	300,785.00	(140,287.12)	160,497.88	144,815.29	15,682.59
Other purchased services (400-500 series)	338.00		338.00	119.40	218.60
Supplies and materials	31,985.00	11,728.85	43,713.85	39,581.74	4,132.11
Other objects	7,990.00		7,990.00	3,400.00	4,590.00
Total other support services - students - regular	1,391,245.00	(251,062.07)	1,140,182.93	1,094,147.00	46,035.93
Other support services - students - special:					
Salaries of other professional staff	1,118,879.00	(25,075.92)	1,093,803.08	1,060,601.39	33,201.69
Salaries of secretarial and clerical assistants	117,080.00	242.08	117,322.08	115,822.03	1,500.05
Other Salaries for Instruction	78,805.00	(70,000.00)	8,805.00		8,805.00
Purchased professional educational services	495,600.00	112,283.21	607,883.21	540,294.05	67,589.16
Other purchased professional educational services	46,644.00	(43,000.00)	3,644.00		3,644.00
Other purchased services (400-500 Series)	10,870.00	3,609.61	14,479.61	14,457.73	21.88
Supplies and materials	15,540.00	21,170.62	36,710.62	28,860.41	7,850.21
Other objects	1,300.00	276.60	1,576.60	750.93	825.67
Total other support services - students - special	1,884,718.00	(493.80)	1,884,224.20	1,760,786.54	123,437.66
Improvement of instructional services:					
Salaries of supervisors of instruction	400,197.00	21,508.23	421,705.23	421,705.23	
Salaries of other professional staff	111,750.00	(12,000.00)	99,750.00	90,760.00	8,990.00
Salaries of secretarial and clerical assistants	72,130.00		72,130.00	48,032.68	24,097.32
Purchased professional educational services	53,098.00	(17,425.70)	35,672.30	26,666.87	9,005.43
Supplies and materials	3,768.00		3,768.00	3,247.34	520.66
Total improvement of instructional services	640,943.00	(7,917.47)	633,025.53	590,412.12	42,613.41
Educational media/school library:					
Salaries	125,770.00		125,770.00	125,623.47	146.53
Purchased professional and technical services	8,850.00		8,850.00	779.44	8,070.56
Other purchased services (400-500 series)					
Supplies and materials	89,621.00	20,055.02	109,676.02	101,671.61	8,004.41
Total educational media/school library	224,241.00	20,055.02	244,296.02	228,074.52	16,221.50
Instructional staff training services:					
Purchased professional educational services	20,665.00		20,665.00	8,214.25	12,450.75
Other purchased services (400-500 series)	45,457.00	19,000.00	64,457.00	47,555.81	16,901.19
Supplies and materials	3,580.00		3,580.00	2,845.34	734.66
Total instructional staff training services	69,702.00	19,000.00	88,702.00	58,615.40	30,086.60

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	$ 350,658.00	$ 25,016.16	$ 375,674.16	$ 365,674.06	$ 10,000.10
Legal services	70,000.00	5,750.32	75,750.32	50,892.60	24,857.72
Audit fees	45,000.00		45,000.00	44,400.00	600.00
Architectural/Engineer Services	20,000.00	(1,268.39)	18,731.61		18,731.61
Other professional services	33,000.00		33,000.00	13,933.00	19,067.00
Communications/telephone	100,000.00	12,837.69	112,837.69	45,480.12	67,357.57
BOE other purchased services	6,200.00	4,397.30	10,597.30	10,538.30	59.00
Miscellaneous purchase services	52,000.00	1,286.09	53,286.09	49,519.29	3,766.80
Supplies and materials	18,000.00	1,266.01	19,266.01	19,159.40	106.61
Judgments against the school district	7,000.00		7,000.00	563.49	6,436.51
Miscellaneous expenditures	12,000.00	1,399.47	13,399.47	6,425.90	6,973.57
BOE membership dues and fees	17,000.00		17,000.00	16,931.98	68.02
Total support services - general administration	730,858.00	50,684.65	781,542.65	623,518.14	158,024.51
Support services - school administration:					
Salaries of principals/assistant principals	1,097,459.00		1,097,459.00	1,056,042.12	41,416.88
Salaries of secretarial and clerical assistants	364,978.00	0.32	364,978.32	356,358.13	8,620.19
Other purchased professional educational services	6,667.00	508.97	7,175.97	4,601.43	2,574.54
Other purchased services (400-500 series)	6,180.00		6,180.00	1,148.40	5,031.60
Supplies and materials	62,209.00	16,245.17	78,454.17	59,230.05	19,224.12
Other objects	750.00		750.00		750.00
Total support services - school administration	1,538,243.00	16,754.46	1,554,997.46	1,477,380.13	77,617.33
Central services:					
Salaries	597,782.00	65,704.56	663,486.56	657,075.07	6,411.49
Purchased technical services	62,650.00		62,650.00	7,326.90	55,323.10
Miscellaneous purchased services (400-500 series)	6,200.00	999.29	7,199.29	7,199.29	
Supplies and materials	15,000.00	751.64	15,751.64	13,571.83	2,179.81
Miscellaneous Expenditures	1,000.00	2,285.90	3,285.90	3,168.38	117.52
Total central services	682,632.00	69,741.39	752,373.39	688,341.47	64,031.92
Administration information technology:					
Salaries	465,139.00	(30,000.00)	435,139.00	412,381.87	22,757.13
Other purchased services (400-500 series)	13,425.00		13,425.00	3,122.60	10,302.40
Supplies and materials	75,034.00	(67,405.72)	7,628.28	6,324.89	1,303.39
Total administration information technology	553,598.00	(97,405.72)	456,192.28	421,829.36	34,362.92
Total central services and administration information technology	1,236,230.00	(27,664.33)	1,208,565.67	1,110,170.83	98,394.84

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Required maintenance for school facilities:					
Salaries	$ 535,018.00	$ 6,271.78	$ 541,289.78	$ 538,253.71	$ 3,036.07
Cleaning, repair and maintenance services	842,183.00	311,673.02	1,153,856.02	941,491.66	212,364.36
General supplies	273,000.00	(9,386.25)	263,613.75	224,731.00	38,882.75
Other objects	8,500.00	2,300.00	10,800.00	6,400.00	4,400.00
Total required maintenance for school facilities	1,658,701.00	310,858.55	1,969,559.55	1,710,876.37	258,683.18
Other operation and maintenance of plant:					
Salaries	95,470.00		95,470.00	57,201.93	38,268.07
Salaries of Non-Instructional Aides	339,711.00	(51,784.21)	287,926.79	268,733.26	19,193.53
Cleaning, repair and maintenance services	1,470,918.00	(126,265.16)	1,344,652.84	1,221,407.22	123,245.62
Rental of Land & Bldg. Other than Lease Purchase Agreement	1,000.00	16.52	1,016.52	16.52	1,000.00
Other purchased property services	319,748.00	50,000.94	369,748.94	211,282.09	158,466.85
Insurance	447,000.00	(7,987.85)	439,012.15	415,646.24	23,365.91
Miscellaneous purchased services	2,700.00	15,000.00	17,700.00	11,114.40	6,585.60
Energy (Natural Gas)	275,500.00	(21,341.84)	254,158.16	152,007.93	102,150.23
Energy (Gasoline)	5,000.00		5,000.00	1,301.35	3,698.65
Energy (Electricity)	1,543,000.00	4,471.92	1,547,471.92	692,464.19	855,007.73
Total operation and maintenance of plant	4,500,047.00	(137,889.68)	4,362,157.32	3,031,175.13	1,330,982.19
Care and up keep of grounds					
Cleaning, repair and maintenance services	97,500.00	12,363.73	109,863.73	98,241.89	11,621.84
General Supplies	23,000.00	(7,369.38)	15,630.62	15,352.74	277.88
Total Care and upkeep of grounds	120,500.00	4,994.35	125,494.35	113,594.63	11,899.72
Security					
Salaries	111,376.00	6,000.00	117,376.00	115,830.98	1,545.02
Purchased professional and technical services	302,543.00	40,556.94	343,099.94	248,280.11	94,819.83
	110,000.00	(24,381.65)	85,618.35	26,879.12	58,739.23
General Supplies	271,282.00	(128,060.08)	143,221.92	19,911.29	123,310.63
Other Objects	750.00	5,000.00	5,750.00	3,768.47	1,981.53
Total Security	795,951.00	(100,884.79)	695,066.21	414,669.97	280,396.24
Total Other operation and maintenance of plant	7,075,199.00	77,078.43	7,152,277.43	5,270,316.10	1,881,961.33

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation services:					
Management Fee - ESC & CTSA Trans. Program	$ 110,000.00	$ 4,609.83	$ 114,609.83	$ 4,609.83	$ 110,000.00
Contracted services - aide in lieu payments - nonpublic schools	150,000.00	(30,000.00)	120,000.00	106,213.58	13,786.42
Contracted services - aide in lieu payments - charter schools	45,000.00	(8,000.00)	37,000.00	33,747.34	3,252.66
Contracted services (between home and school) - vendors	278,225.00	(196,518.04)	81,706.96	31,274.00	50,432.96
Contracted services (other than between home and school) - vendors	369,565.00	(35,382.49)	334,182.51	263,757.42	70,425.09
Contracted services (special education students) - joint agreements	8,000.00		8,000.00	1,165.00	6,835.00
Contracted services (special education students) - ESC and CTSA	2,000,000.00	191,456.18	2,191,456.18	1,629,842.27	561,613.91
Total student transportation	2,960,790.00	(73,834.52)	2,886,955.48	2,070,609.44	816,346.04
Unallocated benefits- employee benefits:					
Social security contribution	400,000.00		400,000.00	312,743.11	87,256.89
Other retirement contributions - regular	525,000.00	37,076.63	562,076.63	562,076.63	
Unemployment compensation	25,000.00		25,000.00		25,000.00
Workmen's compensation	250,000.00	(50,000.00)	200,000.00	178,324.05	21,675.95
Health benefits	7,572,617.00	10,823.02	7,583,440.02	6,774,060.40	809,379.62
Tuition reimbursement	67,850.00	2,742.00	70,592.00	27,613.22	42,978.78
Other employee benefits	385,000.00	36,835.69	421,835.69	392,481.91	29,353.78
Total unallocated benefits- employee benefits	9,225,467.00	37,477.34	9,262,944.34	8,247,299.32	1,015,645.02
On behalf - TPAF - pension contributions (nonbudgeted)				6,526,921.00	(6,526,921.00)
On behalf - TPAF - post retirement medical (nonbudgeted)				1,907,172.00	(1,907,172.00)
On behalf - TPAF - non-contributory insurance (nonbudgeted)				3,902.00	(3,902.00)
Reimbursed TPAF social security contributions (nonbudgeted)				1,493,725.44	(1,493,725.44)
Total on behalf - Contributions				9,931,720.44	(9,931,720.44)
Total unallocated benefits including on-behalf	9,225,467.00	37,477.34	9,262,944.34	18,179,019.76	(8,916,075.42)
Total undistributed expenditures	$ 29,758,089.00	$ 523,023.46	$ 30,281,112.46	$ 35,043,314.56	$ (4,762,202.10)
TOTAL EXPENDITURES - CURRENT EXPENSE	$ 49,375,019.00	$ 816,048.27	$ 50,191,067.27	$ 53,617,850.01	$ (3,426,782.74)

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Grades 9 - 12	$ 2,900.00	$ 8,920.08	$ 11,820.08	$ 10,984.99	$ 835.09
School-sponsored and other instructional program	96,582.00	78,750.96	175,332.96	175,287.24	45.72
Undistributed Expenditures - Child Study Teams		2,784.81	2,784.81	2,784.81	
Undistributed Expenditures - General Administration	10,000.00	5,853.16	15,853.16	15,353.16	500.00
Undistributed Expenditures - School Administration	50,000.00	1,925.33	51,925.33	21,839.50	30,085.83
Undistributed Expenditures - Central Services	3,500.00		3,500.00		3,500.00
Undistributed Expenditures - Required Main for School Fac.	95,475.00	46,158.76	141,633.76	141,273.20	360.56
Non-Instructional services	296,000.00	(80,372.27)	215,627.73	135,182.04	80,445.69
Total equipment	554,457.00	64,020.83	618,477.83	502,704.94	115,772.89
Architectural/Engineering services	30,000.00	349,488.06	379,488.06	195,926.43	183,561.63
Construction Services	1,926,655.00	3,367,078.25	5,293,733.25	3,943,682.59	1,350,050.66
Lease Purchase Agreements - Principal	2,044,747.00		2,044,747.00	2,044,746.99	0.01
Buildings other than Lease Purchase Agreements		176,000.00	176,000.00	176,000.00	
Assessment for Debt Service on SDA Funding	107,452.00		107,452.00	107,452.00	
Total facilities acquisition and construction services	4,108,854.00	3,892,566.31	8,001,420.31	6,467,808.01	1,533,612.30
Assets acquired under leases and SBITAs (nonbudgeted):					
Leases				33,376.20	(33,376.20)
Total assets acquired under leases and SBITAs (nonbudgeted)				33,376.20	(33,376.20)
TOTAL EXPENDITURES - CAPITAL OUTLAY	4,663,311.00	3,956,587.14	8,619,898.14	7,003,889.15	1,616,008.99
Transfer of funds to charter schools	390,432.00	44,834.00	435,266.00	430,543.00	4,723.00
Total transfer of funds to charter schools	390,432.00	44,834.00	435,266.00	430,543.00	4,723.00
TOTAL GENERAL FUND EXPENDITURES	54,428,762.00	4,817,469.41	59,246,231.41	61,052,282.16	(1,806,050.75)
Excess/(deficiency) of revenues over/(under) expenditures	(2,641,737.00)	(4,817,469.41)	(7,459,206.41)	1,002,052.67	8,461,259.08
Other financing sources/(uses):					
Leases (nonbudgeted)				33,376.20	33,376.20
Transfer (to)/from Debt Service Fund		(20,600.00)	(20,600.00)	(20,600.00)	
Cancellation of Prior Year Receivable				(168,435.58)	(168,435.58)
Total other financing sources/(uses)		(20,600.00)	(20,600.00)	(155,659.38)	(135,059.38)

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	$ (2,641,737.00)	$ (4,838,069.41)	$ (7,479,806.41)	$ 846,393.29	$ 8,326,199.70
Fund Balance, July 1	13,678,707.06		13,678,707.06	13,678,707.06	
Fund Balance, June 30	$ 11,036,970.06	$ (4,838,069.41)	$ 6,198,900.65	$ 14,525,100.35	$ 8,326,199.70
Reconciliation of Budget:					
Fund Balance Appropriated	$ 1,546,681.00		$ 1,546,681.00		
Interest on Capital Reserves	(1.00)		(1.00)		
Interest on Maintenance Reserves	(1.00)		(1.00)		
Withdrawal from Capital Reserve	895,058.00	$ 3,485,729.51	4,380,787.51		
Withdrawal from Maintenance Reserve	200,000.00	140,000.00	340,000.00		
Prior Year Encumbrances		1,212,339.90	1,212,339.90		
	$ 2,641,737.00	$ 4,838,069.41	$ 7,479,806.41		
Recapitulation of Fund Balance:					
Restricted:					
Capital Reserve - unassigned			$ 2,310,519.49		
Capital Reserve - designated for subsequent year's expenditures			669,999.00	$ 2,980,518.49	
Maintenance Reserve - unassigned			435,301.00		
Maintenance Reserve - designated for subsequent year's expenditures			199,999.00	635,300.00	
Unemployment Compensation				374,762.76	
Reserve for excess surplus (2026-2027)				3,657,394.97	
Excess Surplus designated for subsequent year's expenditures (2025-2026)				2,554,582.98	
Assigned:					
Year-end encumbrances				3,252,099.44	
Unassigned (2%)				1,070,441.71	
				$ 14,525,100.35	
Reconciliation to governmental funds statements (GAAP):					
Last two (2) State Aid Payments not recognized on GAAP basis				3,278,530.00	
Fund balance per governmental funds (GAAP)				$ 11,246,570.35	

SOUTH RIVER BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues	Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
State Sources:				
Preschool Education	$ 3,206,379.09	$ 3,206,379.09	$ 3,202,532.33	$ 3,846.76
Preschool Addition	1,966,306.00	1,966,306.00	1,966,306.00	-
Advanced Placement	49,912.00	49,912.00	17,055.40	32,856.60
Computer Science	34,841.00	34,841.00	22,114.41	12,726.59
FOCUS Competitive	6,630.00	6,630.00	-	6,630.00
Non-Public Nursing Services	106,600.00	106,600.00	87,883.00	18,717.00
Non-Public Security Grant	168,100.00	168,100.00	167,979.00	121.00
Non-Public Technology	39,788.00	39,788.00	39,760.00	28.00
Non-Public Textbooks	41,525.00	41,525.00	40,851.00	674.00
Non-Public Auxiliary Services	109,158.00	109,158.00	109,157.00	1.00
Non-Public Handicapped Services	57,722.00	57,722.00	48,835.00	8,887.00
Total State Sources	5,786,961.09	5,786,961.09	5,702,473.14	84,487.95
Federal Sources:				
Title I	473,623.00	473,623.00	465,755.33	7,867.67
Title I - School Improvements	50,000.00	50,000.00	50,000.00	-
Title II, Part A	80,119.00	80,119.00	80,119.00	-
Title III	94,572.00	94,572.00	70,919.26	23,652.74
Title III - Immigrant	21,064.00	21,064.00	21,064.00	-
Title IV	30,529.00	30,529.00	24,994.77	5,534.23
I.D.E.A. Part B, Basic	836,241.00	836,241.00	770,846.15	65,394.85
I.D.E.A. Part B, Preschool	21,197.00	21,197.00	18,284.35	2,912.65
Adult Basic Education	73,598.00	73,598.00	70,867.24	2,730.76
ARP Comprehensive	2,557.97	2,557.97	2,554.00	3.97
ARP Summer	11,585.23	11,585.23	10,404.04	1,181.19
ARP ESSER	8,231.00	8,231.00	8,231.00	-
21st Century	702,503.93	702,503.93	633,037.73	69,466.20
I.D.E.A. CCLC Supplemental	29,969.00	29,969.00	10,105.14	19,863.86
Total Federal Sources	2,435,790.13	2,435,790.13	2,237,182.01	198,608.12
Local Sources:				
Student Activities	394,568.16	394,568.16	224,315.83	170,252.33
Scholarships	21,131.98	21,131.98	1,568.62	19,563.36
Other	5,521.00	5,521.00	5,521.00	-
Total Local Sources	421,221.14	421,221.14	231,405.45	189,815.69
Total Revenues	$ 8,643,972.36	$ 8,643,972.36	$ 8,171,060.60	$ 472,911.76

SOUTH RIVER BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Expenditures				
Instruction:				
Salaries of Teachers	$ 1,421,337.34	$ 1,421,337.34	$ 1,347,368.15	$ 73,969.19
Other Salaries for Instruction	335,359.53	335,359.53	335,359.53	-
Purchased Professional/Technical Services	1,124,289.09	1,124,289.09	1,100,859.35	23,429.74
Purchased Professional/Educational Services	30,000.00	30,000.00	28,469.27	1,530.73
General Supplies	319,889.31	319,889.31	278,736.78	41,152.53
Textbooks	41,525.00	41,525.00	40,851.00	674.00
Other Objects	7,044.00	7,044.00	7,044.00	-
Total Instruction	3,279,444.27	3,279,444.27	3,138,688.08	140,756.19
Support Services:				
Salaries of Supervisors for Instruction	137,473.22	137,473.22	120,820.97	16,652.25
Salaries of Principals and Program Directors	327,042.46	327,042.46	314,300.71	12,741.75
Salaries of Other Professional Staff	98,811.33	98,811.33	98,201.32	610.01
Salaries of Secretarial and Clerical Assistants	62,469.24	62,469.24	62,375.91	93.33
Other Salaries for Instruction	1,050.00	1,050.00	386.17	663.83
Other Salaries	132,379.83	132,379.83	124,114.58	8,265.25
Salaries of Family/Parent Liaison	30,037.00	30,037.00	30,037.00	-
Salaries of Master Teachers	120,148.00	120,148.00	120,148.00	-
Employee Benefits	889,782.38	889,782.38	852,994.94	36,787.44
Purchased Professional/Technical Services	128,046.00	128,046.00	84,267.50	43,778.50
Purchased Professional/Educational Services	45,446.80	45,446.80	42,722.80	2,724.00
Purchased Professional/Head Start	288,988.38	288,988.38	288,988.38	-
Other Purchased Professional Services	13,758.00	13,758.00	13,758.00	-
Cleaning, Repair and Maintenance	282,302.69	282,302.69	282,204.08	98.61
Other Purchased Services	39,301.39	39,301.39	26,011.69	13,289.70
Contract Services - Transportation	2,370.00	2,370.00	2,370.00	-
Miscellaneous Purchased Services	4,400.00	4,400.00	4,400.00	-
Supplies and Materials	127,531.15	127,531.15	120,895.94	6,635.21
Other Objects	415,700.14	415,700.14	205,177.16	210,522.98
Total Support Services	3,147,038.01	3,147,038.01	2,794,175.15	352,862.86
Total Expenditures	6,426,482.28	6,426,482.28	5,932,863.23	493,619.05
Facilities Acquisition and Construction Services				
Construction Services	1,966,306.00	1,966,306.00	1,966,306.00	-
Instructional Equipment	197,595.00	197,595.00	197,595.00	-
Noninstructional Equipment	53,589.08	53,589.08	53,589.08	-
Total Facilities Acquisition and Construction Services	2,217,490.08	2,217,490.08	2,217,490.08	-
Total Outflows	$ 8,643,972.36	$ 8,643,972.36	$ 8,150,353.31	$ 493,619.05
Excess (Deficiency) of Revenues Over/(Under) Expenditures			$ 20,707.29	$ (20,707.29)
Fund Balance July 1			189,815.69	
Fund Balance June 30			$ 210,522.98	
Recapitulation:				
Restricted:				
Scholarships			$ 20,578.22	
Student Activities			189,944.76	
Total Fund Balance			$ 210,522.98	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures		General Fund		Special Revenue Fund
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1 $	62,054,334.83	C-2 $	8,171,060.60
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
June 30, 2024		None		3,887.88
June 30, 2025		None		(345,624.44)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		2,872,922.00		None
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.		(3,278,530.00)		None
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 $	61,648,726.83	B-2 $	7,829,324.04
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1 $	61,052,282.16	C-2 $	8,150,353.31
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
June 30, 2024		None		3,887.88
June 30, 2025		None		(345,624.44)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 $	61,052,282.16	B-2 $	7,808,616.75

REQUIRED SUPPLEMENTARY INFORMATION – PART III

Exhibit L-1

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

Year	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.0340848844%	$ 4,631,470	$ 3,063,970	151%	68.22%
2024	0.0311796110%	4,516,171	2,825,612	160%	65.23%
2023	0.0229930974%	3,469,975	2,633,008	132%	62.91%
2022	0.0214040242%	2,535,628	2,117,635	120%	70.33%
2021	0.0203424369%	3,317,319	1,547,595	214%	58.32%
2020	0.0203748219%	3,671,234	1,556,388	236%	56.27%
2019	0.0207625200%	4,088,037	1,464,424	279%	46.10%
2018	0.0223976169%	5,213,807	1,457,479	357%	48.10%
2017	0.0214386607%	6,349,516	1,459,577	435%	40.14%
2016	0.0230460420%	5,174,474	1,487,597	347%	47.92%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2023 to 7.00% as of June 30, 2024.

Exhibit L-2

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2025	$ 463,805	$ 463,805	None	$ 3,063,970	15.14%
2024	416,724	416,724	None	2,825,612	14.75%
2023	289,954	289,954	None	2,633,008	11.01%
2022	250,666	250,666	None	2,117,635	11.84%
2021	222,536	222,536	None	1,547,595	14.38%
2020	198,188	198,188	None	1,556,388	12.73%
2019	206,250	206,250	None	1,464,424	14.08%
2018	207,490	207,490	None	1,457,479	14.24%
2017	190,458	190,458	None	1,459,577	13.05%
2016	198,134	198,134	None	1,487,597	13.32%

Notes to Required Supplementary Information:
Benefit Changes - There were none.
Changes of Assumptions - The discount rate changed from 7.00% as of June 30, 2023 to 7.00% as of June 30, 2024.

Exhibit L-3

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST TEN (10) FISCAL YEARS

Year	State's Proportion of Net Pension Liability Attributable to the District	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2025	0.1505204318%	None	$ 74,394,884	$ 74,394,884	$ 20,589,728	None	37.99%
2024	0.1451944090%	None	74,096,583	74,096,583	19,023,479	None	34.68%
2023	0.1450734698%	None	74,849,809	74,849,809	18,441,295	None	32.29%
2022	0.1368864674%	None	65,808,427	65,808,427	17,703,659	None	35.52%
2021	0.1279482654%	None	84,252,393	84,252,393	16,772,638	None	24.60%
2020	0.1311757516%	None	80,503,797	80,503,797	16,283,156	None	26.95%
2019	0.1275931009%	None	87,171,990	87,171,990	14,640,989	None	26.49%
2018	0.1302826775%	None	87,841,279	87,841,279	13,851,680	None	25.41%
2017	0.1272410992%	None	100,095,950	100,095,950	13,781,318	None	22.33%
2016	0.1243058644%	None	78,566,615	78,566,615	13,150,301	None	28.71%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2023 to 7.00% as of June 30, 2024

Exhibit M-1

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS
LAST EIGHT (8) FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 3,182,231	$ 2,918,212	$ 3,805,404	$ 4,111,931	$ 2,105,105	$ 1,959,806	$ 2,264,418	$ 2,734,975
Interest cost	2,464,631	2,300,667	1,604,785	1,884,587	1,800,158	2,129,973	2,334,261	2,016,938
Changes of benefit term				(77,326)				
Changes of assumptions	5,601,473	131,668	(16,244,535)	71,674	14,786,514	745,584	(6,175,648)	(8,445,012)
Differences between expected and actual experience	117,174	1,153,484	279,532	(12,854,216)	13,617,900	(7,156,403)	(6,844,759)	
Benefit payments	(1,882,279)	(1,793,407)	(1,589,587)	(1,484,527)	(1,409,247)	(1,535,016)	(1,439,019)	(1,473,735)
Contributions from members	64,451	58,958	50,995	48,180	42,714	45,502	49,735	54,267
Net changes in total OPEB liability	9,547,681	4,769,582	(12,093,406)	(8,299,697)	30,943,144	(3,810,554)	(9,811,012)	(5,112,567)
Total OPEB liability - beginning	65,325,003	60,555,421	72,648,827	80,948,524	50,005,380	53,815,934	63,626,946	68,739,513
Total OPEB liability - ending	$ 74,872,684	$ 65,325,003	$ 60,555,421	$ 72,648,827	$ 80,948,524	$ 50,005,380	$ 53,815,934	$ 63,626,946
Covered-employee payroll (PERS and TPAF)	$ 23,653,698	$ 21,849,091	$ 21,074,303	$ 19,821,294	$ 18,320,233	$ 17,839,544	$ 16,105,413	$ 15,309,159
Total OPEB liability as a percentage of covered-employee payroll	None	None	None	None	None	None	None	None

Note: Only last eight (8) years of information is presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after nine (9) years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.5% long-term trend rate after nine (9) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Economic Assumptions - The discount rate utilized as of June 30, 2022, June 30, 2023, and June 30, 2024 was 3.54%, 3.65%, and 3.93%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

Exhibit E-1

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Exh. E-1a)	I.D.E.A. Part B Regular Program	I.D.E.A. Part B Preschool	Title I	Title I SIA	Title II Part A	Title III	Title III Immigrant	Title IV	Totals 2025
REVENUES:										
State sources	$ 5,702,473.14									$ 5,702,473.14
Federal sources	735,199.15	$ 770,846.15	$ 18,284.35	$ 465,755.33	$ 50,000.00	$ 80,119.00	$ 70,919.26	$ 21,064.00	$ 24,994.77	2,237,182.01
Local sources	231,405.45									231,405.45
Total revenues	$ 6,669,077.74	$ 770,846.15	$ 18,284.35	$ 465,755.33	$ 50,000.00	$ 80,119.00	$ 70,919.26	$ 21,064.00	$ 24,994.77	$ 8,171,060.60
EXPENDITURES:										
Instruction:										
Salaries of teachers	$ 1,117,863.70			$ 224,600.70					$ 4,903.75	$ 1,347,368.15
Other salaries for instruction	335,359.53									335,359.53
Purchased professional/technical services	263,105.00	$ 700,000.00		83,880.74	$ 43,274.90		$ 3,441.71	$ 339.00	6,818.00	1,100,859.35
Purchased professional/educational services	28,469.27									28,469.27
Supplies and materials	244,934.02	7,233.00	$ 857.00	2,340.09	1,589.10		9,950.37	7,025.32	4,807.88	278,736.78
Textbooks	40,851.00									40,851.00
Other objects	2,474.00								4,570.00	7,044.00
Total instruction	2,033,056.52	707,233.00	857.00	310,821.53	44,864.00		13,392.08	7,364.32	21,099.63	3,138,688.08
Support services:										
Salaries of supervisors	20,221.47									
Salaries of principals and program directors	314,300.71					$ 45,305.00	49,999.92	5,294.58		120,820.97
Salaries of other professional services	98,201.32									314,300.71
Salaries of secretarial and clerical assistants	62,375.91									98,201.32
Other salaries for instruction	386.17									62,375.91
Other salaries	124,114.58									386.17
Salaries of family/parent liaison	30,037.00									124,114.58
Salaries of master teachers	120,148.00									30,037.00
Personal services-employee benefits	692,777.07			149,222.00						120,148.00
Purchased professional/technical services	31,960.00	52,307.50				3,466.00	6,749.63	405.10	375.14	852,994.94
Purchased professional/educational services			7,825.00	5,711.80	1,500.00	19,686.00		8,000.00		84,267.50
Purchased professional/head start	288,988.38									42,722.80
Other purchased professional services	13,758.00									288,988.38
Cleaning, repair and maintenance services	282,204.08									13,758.00
Other purchased services	6,922.99				3,636.00	11,237.70	695.00		3,520.00	282,204.08
Contract services - transportation	2,370.00									26,011.69
Miscellaneous purchased services	4,400.00									2,370.00
Supplies and materials	99,481.01	11,305.65	9,602.35			424.30	82.63			4,400.00
Other objects	205,177.16									120,895.94
Total support services	2,397,823.85	63,613.15	17,427.35	154,933.80	5,136.00	80,119.00	57,527.18	13,699.68	3,895.14	205,177.16
Facilities acquisition and construction services:										2,794,175.15
Construction services	1,966,306.00									
Instructional equipment	197,595.00									1,966,306.00
Noninstructional equipment	53,589.08									197,595.00
Total facilities acquisition and construction services	2,217,490.08									53,589.08
										2,217,490.08
Total expenditures	$ 6,648,370.45	$ 770,846.15	$ 18,284.35	$ 465,755.33	$ 50,000.00	$ 80,119.00	$ 70,919.26	$ 21,064.00	$ 24,994.77	$ 8,150,353.31
Excess/(Deficit) of Revenues Over/(Under) Expenditures	20,707.29									20,707.29
Fund Balance, July 1	189,815.69									189,815.69
Fund Balance, June 30	$ 210,522.98									$ 210,522.98

Exhibit E-1a

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Exh. E-1b)	21st Century 23-24	21st Century 24-25	IDEA CCLC Supplemental	Adult Basic Education	ARP Comprehensive	ARP Summer	ARP ESSER	Totals Carried Forward 2025
REVENUES:									
State sources	$ 5,702,473.14								$ 5,702,473.14
Federal sources		$ 101,003.71	$ 532,034.02	$ 10,105.14	$ 70,867.24	$ 2,554.00	$ 10,404.04	$ 8,231.00	735,199.15
Local sources	231,405.45								231,405.45
Total revenues	$ 5,933,878.59	$ 101,003.71	$ 532,034.02	$ 10,105.14	$ 70,867.24	$ 2,554.00	$ 10,404.04	$ 8,231.00	$ 6,669,077.74
EXPENDITURES:									
Instruction:									
Salaries of teachers	$ 709,477.10	$ 45,787.42	$ 320,996.44	$ 9,020.85	$ 23,484.39		$ 9,097.50		$ 1,117,863.70
Other salaries for instruction	335,359.53								335,359.53
Purchased professional/technical services	250,105.00		6,000.00		7,000.00				263,105.00
Purchased professional/educational services	28,469.27								28,469.27
Supplies and materials	198,395.65	15,158.83	1,296.98		19,545.69	$ 2,554.00	610.57	$ 7,372.30	244,934.02
Textbooks	40,851.00								40,851.00
Other objects	1,904.00		570.00						2,474.00
Total instruction	1,564,561.55	60,946.25	328,863.42	9,020.85	50,030.08	2,554.00	9,708.07	7,372.30	2,033,056.52
Support services:									
Salaries of supervisors	20,221.47								20,221.47
Salaries of principals and program directors	239,198.38	12,089.35	60,416.73		2,596.25				314,300.71
Salaries of other professional services	81,385.81		7,034.51		9,781.00				98,201.32
Salaries of secretarial and clerical assistants	56,200.05	1,004.18			5,171.68				62,375.91
Other salaries for instruction				386.17					386.17
Other salaries	56,364.00	15,159.50	52,591.08						124,114.58
Salaries of family/parent liaison	30,037.00								30,037.00
Salaries of master teachers	120,148.00								120,148.00
Personal services-employee benefits	620,056.46	11,804.43	56,055.28	698.12	3,288.23		695.97	178.58	692,777.07
Purchased professional/technical services	6,960.00		25,000.00						31,960.00
Purchased professional/educational services									
Purchased professional/head start	288,988.38								288,988.38
Other purchased professional services	13,758.00								13,758.00
Cleaning, repair and maintenance services	282,204.08								282,204.08
Other purchased services	4,849.99		2,073.00						6,922.99
Contract services - transportation	2,370.00								2,370.00
Miscellaneous purchased services	4,400.00								4,400.00
Supplies and materials	99,481.01								99,481.01
Other objects	205,177.16								205,177.16
Total support services	2,131,799.79	40,057.46	203,170.60	1,084.29	20,837.16		695.97	178.58	2,397,823.85
Facilities acquisition and construction services:									
Construction services	1,966,306.00								1,966,306.00
Instructional equipment	197,595.00								197,595.00
Noninstructional equipment	52,908.96							680.12	53,589.08
Total facilities acquisition and construction services	2,216,809.96							680.12	2,217,490.08
Total expenditures	$ 5,913,171.30	$ 101,003.71	$ 532,034.02	$ 10,105.14	$ 70,867.24	$ 2,554.00	$ 10,404.04	$ 8,231.00	$ 6,648,370.45
Excess/(Deficit) of Revenues Over/(Under) Expenditures	20,707.29								20,707.29
Fund Balance, July 1	189,815.69								189,815.69
Fund Balance, June 30	$ 210,522.98								$ 210,522.98

Exhibit E-1b

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total Brought Forward (Exh. E-1c)	Advanced Placement	New Jersey Chapter 226 Nonpublic Nursing Services	Computer Science	Nonpublic Security Grant	Nonpublic Technology	Nonpublic Textbooks	New Jersey Chapter 192 Auxiliary Nonpublic Comp. Education	New Jersey Chapter 192 Auxiliary Nonpublic E.S.L.	Totals Carried Forward 2025
REVENUES:										
State sources	$ 5,217,673.33	$ 17,055.40	$ 87,883.00	$ 22,114.41	$ 167,979.00	$ 39,760.00	$ 40,851.00	$ 89,645.00	$ 19,512.00	$ 5,702,473.14
Federal sources										
Local sources	231,405.45									231,405.45
Total revenues	$ 5,449,078.78	$ 17,055.40	$ 87,883.00	$ 22,114.41	$ 167,979.00	$ 39,760.00	$ 40,851.00	$ 89,645.00	$ 19,512.00	$ 5,933,878.59
EXPENDITURES:										
Instruction:										
Salaries of teachers	$ 708,569.60			$ 907.50						$ 709,477.10
Other salaries for instruction	335,359.53									335,359.53
Purchased professional/technical services	48,835.00	$ 4,230.00	$ 87,883.00					$ 89,645.00	$ 19,512.00	250,105.00
Purchased professional/educational services	28,469.27									28,469.27
Supplies and materials	138,998.17			19,637.48		$ 39,760.00				198,395.65
Textbooks							$ 40,851.00			40,851.00
Other objects	1,904.00									1,904.00
Total instruction	1,262,135.57	4,230.00	87,883.00	20,544.98		39,760.00	40,851.00	89,645.00	19,512.00	1,564,561.55
Support services:										
Salaries of supervisors	17,778.22	943.25		1,500.00						20,221.47
Salaries of principals and program directors	239,198.38									239,198.38
Salaries of other professional services	81,385.81									81,385.81
Salaries of secretarial and clerical assistants	56,200.05									56,200.05
Other salaries for instruction										
Other salaries	56,364.00									56,364.00
Salaries of family/parent liaison	30,037.00									30,037.00
Salaries of master teachers	120,148.00									120,148.00
Personal services-employee benefits	619,914.87	72.16		69.43						620,056.46
Purchased professional/technical services		6,960.00								6,960.00
Purchased professional/educational services										
Purchased professional/head start	288,988.38									288,988.38
Other purchased professional services	13,758.00									13,758.00
Cleaning, repair and maintenance services	127,527.69				$ 154,676.39					282,204.08
Other purchased services		4,849.99								4,849.99
Contract services - transportation	2,370.00									2,370.00
Miscellaneous purchased services	4,400.00									4,400.00
Supplies and materials	86,178.40				13,302.61					99,481.01
Other objects	205,177.16									205,177.16
Total support services	1,949,425.96	12,825.40		1,569.43	167,979.00					2,131,799.79
Facilities acquisition and construction services:										
Construction services	1,966,306.00									1,966,306.00
Instructional equipment	197,595.00									197,595.00
Noninstructional equipment	52,908.96									52,908.96
Total facilities acquisition and construction services	2,216,809.96									2,216,809.96
Total expenditures	$ 5,428,371.49	$ 17,055.40	$ 87,883.00	$ 22,114.41	$ 167,979.00	$ 39,760.00	$ 40,851.00	$ 89,645.00	$ 19,512.00	$ 5,913,171.30
Excess/(Deficit) of Revenues Over/(Under) Expenditures	20,707.29									20,707.29
Fund Balance, July 1	189,815.69									189,815.69
Fund Balance, June 30	$ 210,522.98									$ 210,522.98

Exhibit E-1c

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	New Jersey Chapter 193 Handicapped					Local					
								Student Activity Fund			Totals Carried Forward
	Nonpublic Exam. and Class	Nonpublic Supplemental Instruction	Nonpublic Corrective Speech	Preschool Addition	Preschool Education	NJSIG Grant	Scholarship Fund	Middle School	High School	Athletics	2025
REVENUES:											
State sources	$ 13,277.00	$ 11,564.00	$ 23,994.00	$ 1,966,306.00	$ 3,202,532.33						$ 5,217,673.33
Federal sources											
Local sources						$ 5,521.00	$ 1,568.62	$ 38,655.08	$ 185,660.75		231,405.45
Total revenues	$ 13,277.00	$ 11,564.00	$ 23,994.00	$ 1,966,306.00	$ 3,202,532.33	$ 5,521.00	$ 1,568.62	$ 38,655.08	$ 185,660.75		$ 5,449,078.78
EXPENDITURES:											
Instruction:											
Salaries of teachers					$ 708,569.60						$ 708,569.60
Other salaries for instruction					335,359.53						335,359.53
Purchased professional/technical services	$ 13,277.00	$ 11,564.00	$ 23,994.00								48,835.00
Purchased professional/educational services					28,469.27						28,469.27
Supplies and materials					138,998.17						138,998.17
Textbooks											
Other objects					1,904.00						1,904.00
Total instruction	13,277.00	11,564.00	23,994.00		1,213,300.57						1,262,135.57
Support services:											
Salaries of supervisors					17,778.22						17,778.22
Salaries of principals and program directors					239,198.38						239,198.38
Salaries of other professional services					81,385.81						81,385.81
Salaries of secretarial and clerical assistants					56,200.05						56,200.05
Other salaries for instruction											
Other salaries					56,364.00						56,364.00
Salaries of family/parent liaison					30,037.00						30,037.00
Salaries of master teachers					120,148.00						120,148.00
Personal services-employee benefits					619,914.87						619,914.87
Purchased professional/technical services											
Purchased professional/educational services											
Purchased professional/head start					288,988.38						288,988.38
Other purchased professional services					13,758.00						13,758.00
Cleaning, repair and maintenance services					127,527.69						127,527.69
Other purchased services											
Contract services - transportation					2,370.00						2,370.00
Miscellaneous purchased services					4,400.00						4,400.00
Supplies and materials					80,657.40	$ 5,521.00					86,178.40
Other objects							$ 553.76	$ 40,771.11	$ 163,069.79	$ 782.50	205,177.16
Total support services					1,738,727.80	5,521.00	553.76	40,771.11	163,069.79	782.50	1,949,425.96
Facilities acquisition and construction services:											
Construction services				$ 1,966,306.00							1,966,306.00
Instructional equipment					197,595.00						197,595.00
Noninstructional equipment					52,908.96						52,908.96
Total facilities acquisition and construction services				1,966,306.00	250,503.96						2,216,809.96
Total expenditures	$ 13,277.00	$ 11,564.00	$ 23,994.00	$ 1,966,306.00	$ 3,202,532.33	$ 5,521.00	$ 553.76	$ 40,771.11	$ 163,069.79	$ 782.50	$ 5,428,371.49
Excess/(Deficit) of Revenues Over/(Under) Expenditures							1,014.86	(2,116.03)	22,590.96	(782.50)	20,707.29
Fund Balance, July 1							19,563.36	33,292.72	136,177.11	782.50	189,815.69
Fund Balance, June 30							$ 20,578.22	$ 31,176.69	$ 158,768.07		$ 210,522.98

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES:				
Instruction:				
Salaries of teachers	$ 744,480.00	$ 708,569.60	$ 708,569.60	-
Other salaries for instructors	351,000.00	335,359.53	335,359.53	-
Purchased educational services		30,000.00	28,469.27	$ 1,530.73
Supplies and materials	168,256.00	141,314.20	138,998.17	2,316.03
Other objects		1,904.00	1,904.00	-
Total instruction	$ 1,263,736.00	$ 1,217,147.33	$ 1,213,300.57	$ 3,846.76
Support services:				
Salaries of supervisors of instruction	$ 18,910.00	$ 17,778.22	$ 17,778.22	-
Salaries of principals/assistant principals/program directors	221,519.00	239,198.38	239,198.38	-
Salaries of other professional staff	89,200.00	81,385.81	81,385.81	-
Salaries of secretarial and clerical assistants	56,200.00	56,200.05	56,200.05	-
Other salaries		56,364.00	56,364.00	-
Salaries of family/parent liaison	30,037.00	30,037.00	30,037.00	-
Salaries of Facilitators, Math Coaches, Literary Coaches	120,148.00	120,148.00	120,148.00	-
Personal services - employee benefits	706,519.00	619,914.87	619,914.87	-
Purchased professional/educational services	15,000.00	13,758.00	13,758.00	-
Purchased professional/head start	210,000.00	288,988.38	288,988.38	-
Other purchased professional services	56,364.00			-
Cleaning, repair and maintenance services		127,527.69	127,527.69	-
Contract services - transportation		2,370.00	2,370.00	-
Miscellaneous purchased services	2,500.00	4,400.00	4,400.00	-
Supplies and materials	86,657.00	80,657.40	80,657.40	-
Total support services	$ 1,613,054.00	$ 1,738,727.80	$ 1,738,727.80	-
Facilities acquisition and construction services:				
Instructional equipment		$ 197,595.00	$ 197,595.00	-
Noninstructional equipment		52,908.96	52,908.96	-
Total facilities acquisition and construction services	-	$ 250,503.96	$ 250,503.96	-
Total expenditures	$ 2,876,790.00	$ 3,206,379.09	$ 3,202,532.33	$ 3,846.76

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-2025 PreK Aid Allocation	$ 2,876,790.00
Add: Actual PreK Aid Carryover June 30, 2024	367,517.54
Add: Prior Year Accounts Payable Cancelled	6,286.94
Add: Budgeted Transfer from General Fund	-
Total Funds Available for 2024-2025 Budget	$ 3,250,594.48
Less: 2024-2025 Budgeted PreK Aid (Including Prior Year Budgeted Carryover)	(3,206,379.09)
Available & Unbudgeted PreK Aid Funds as of June 30, 2025	$ 44,215.39
Add: June 30, 2025 Unexpended Preschool Education Aid	3,846.76
Less: Commissioner-Approved Transfer to General Fund	-
2024-2025 PreK Aid Carryover	$ 48,062.15
2024-2025 PreK Aid Carryover Budgeted for PreK Programs in 2025-2026	$ -

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Title/Issue	Original Date	Appropriations	Expenditures to Date	
			Prior Years	Current Year
Acquisition and Installment of a Modular Early Childcare Building	11/30/23	$ 9,000,000.00	$ 3,920,131.16	$ 5,079,868.84

Exhibit F-2

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Expenditures	
Construction services	$ 5,079,868.84
Total expenditures	$ 5,079,868.84
Net change in fund balance	(5,079,868.84)
Fund balance, beginning	$ 5,079,868.84
Fund balance, ending	-

Exhibit F-2a

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ACQUISITION AND INSTALLATION OF EARLY CHILDCARE BUILDING
FROM INCEPTION TO JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues				
Lease proceeds	$ 9,000,000.00		$ 9,000,000.00	$ 9,000,000.00
Total revenues	$ 9,000,000.00		$ 9,000,000.00	$ 9,000,000.00
Expenditures				
Construction services	$ 3,920,131.16	$ 5,079,868.84	$ 9,000,000.00	$ 9,000,000.00
Total expenditures	$ 3,920,131.16	$ 5,079,868.84	$ 9,000,000.00	$ 9,000,000.00
Excess/(deficiency) of revenues over/(under) expenditures	$ 5,079,868.84	$ (5,079,868.84)		

Additional project information:	
Project Number	NA
Lease Date	11/30/2023
Lease Issued	$ 9,000,000.00
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Grant Date	NA
Grant Awarded	NA
Original Authorized Cost	$ 9,000,000.00
Additional Authorized Cost	NA
Revised Authorized Cost	$ 9,000,000.00
Percentage Increase over Original Authorized Cost	NA
Percentage completion	100.00%
Original target completion date	9/27/2024

NONCURRENT DEBT

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

Issue	Original Date of Original Issue	Original Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2024	Retired	Balance June 30, 2025
School Bonds Series 2015 (Various Improvements)	5/6/2015	$ 2,453,000.00				$ 450,000.00	$ 450,000.00	
Refunding School Bonds - Series 2020	6/1/2021	$ 3,425,000.00	6/1/2026 6/1/2027	$ 515,000.00 340,000.00	4.00% 4.00%	1,370,000.00	515,000.00	$ 855,000.00
Total						$ 1,820,000.00	$ 965,000.00	$ 855,000.00

Exhibit I-2

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
JUNE 30, 2025

Item	Original Date of Original Issue	Original Amount of Issue	Interest Rate	Balance July 1, 2024	Retired	Balance June 30, 2025
Acquisition and Installation of a Modular Early Learning Center	11/30/2023	$ 9,000,000.00	4.67%	$ 9,000,000.00	$ 1,693,382.16	$ 7,306,617.84
Furniture for the Elementary, Middle, and High Schools	8/23/2023	$ 490,889.45	4.90%	400,889.45	93,149.48	307,739.97
Total				$ 9,400,889.45	$ 1,786,531.64	$ 7,614,357.81

Exhibit I-3

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NONCURRENT DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASES
JUNE 30, 2025

Item	Original Date of Original Issue	Original Amount of Issue	Interest Rate	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025
Canon Copy Machines	8/29/2022	$ 277,130.72	3.52%	$ 154,937.59		$ 70,045.08	$ 84,892.51
Canon Copy Machines	7/1/2024	$ 33,376.20	4.25%		$ 33,376.20	7,748.88	25,627.32
Total				$ 154,937.59	$ 33,376.20	$ 77,793.96	$ 110,519.83

Exhibit I-4

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 1,010,451.00		$ 1,010,451.00	$ 1,010,451.00	
Total - Local Sources	1,010,451.00		1,010,451.00	1,010,451.00	
Total Revenues	$ 1,010,451.00		$ 1,010,451.00	$ 1,010,451.00	
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	$ 965,000.00		$ 965,000.00	$ 965,000.00	
Interest on Bonds	45,451.00	$ 20,600.00	66,051.00	66,050.00	$ 1.00
Total Regular Debt Service	1,010,451.00	20,600.00	1,031,051.00	1,031,050.00	1.00
Total Expenditures	$ 1,010,451.00	$ 20,600.00	$ 1,031,051.00	$ 1,031,050.00	$ 1.00
Excess of Revenues Over Expenditures		$ (20,600.00)	$ (20,600.00)	$ (20,599.00)	$ 1.00
Other Financing Sources:					
Transfer from General Fund		$ 20,600.00	$ 20,600.00	$ 20,600.00	
Total Other Financing Sources/(Uses)		$ 20,600.00	$ 20,600.00	$ 20,600.00	
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures				$ 1.00	$ 1.00
Fund Balance, July 1	$ 0.17		$ 0.17	$ 0.17	
Fund Balance, June 30	$ 0.17		$ 0.17	$ 1.17	$ 1.00

STATISTICAL TABLES (SECTION)

(UNAUDITED)

SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

Contents	Exhibit
Financial Trends	**J-1 to J-5**
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	
Revenue Capacity	**J-6 to J-9**
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	
Debt Capacity	**J-10 to J-13**
These schedules contain information to help the reader assess the district's outstanding debt.	
Demographic and Economic Information	**J-14 & J-15**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	
Operating Information	**J-16 to J-20**
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	

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

FINANCIAL TRENDS

Exhibit J-1

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	$ 26,943,881	$ 28,643,432	$ 29,027,869	$ 28,904,507	$ 28,532,988	$ 28,539,291	$ 29,365,153	$ 30,718,889	$ 37,117,142	$ 43,692,279
Restricted	2,466,373	470,477	341,130	591,728	623,577	1,303,609	454,228	9,013,287	9,777,757	8,202,145
Unrestricted	(3,668,297)	(3,800,159)	(3,553,741)	(3,154,601)	(2,062,655)	(689,322)	2,675,441	(3,896,982)	(3,081,817)	(1,175,341)
Total governmental activities net position	$ 25,741,957	$ 25,313,750	$ 25,815,258	$ 26,341,633	$ 27,093,909	$ 29,153,578	$ 32,494,822	$ 35,835,194	$ 43,813,082	$ 50,719,083
Business-type activities										
Invested in capital assets, net of related debt	$ 190,893	$ 242,156	$ 291,583	$ 330,561	$ 320,003	$ 311,053	$ 359,632	$ 496,054	$ 577,247	$ 725,349
Restricted							54,235			
Unrestricted	170,343	162,453	178,401	304,005	463,526	476,330	689,879	771,934	417,247	311,388
Total business-type activities net position	$ 361,236	$ 404,609	$ 469,984	$ 634,566	$ 783,529	$ 787,383	$ 1,103,746	$ 1,267,988	$ 994,494	$ 1,036,737
District-wide										
Invested in capital assets	$ 27,134,725	$ 28,885,588	$ 29,319,452	$ 29,235,067	$ 28,852,990	$ 28,850,344	$ 29,994,785	$ 31,214,944	$ 37,694,389	$ 44,417,628
Restricted	2,466,373	470,477	341,130	591,728	623,577	1,303,609	508,463	9,013,287	9,777,757	8,202,145
Unrestricted (Deficit)	(3,497,193)	(3,637,706)	(3,375,340)	(2,850,596)	(1,599,129)	(212,992)	3,365,320	(3,125,048)	(2,664,571)	(863,953)
Total district net position	$ 26,103,905	$ 25,718,359	$ 26,285,242	$ 26,976,199	$ 27,877,438	$ 29,940,961	$ 33,868,568	$ 37,103,182	$ 44,807,576	$ 51,755,820

Source: ACFR Exhibit A-1.

Note:

In 2018, the effective date of GASB No. 75 related to post-employment benefits (health benefits), an adjustment was made for the provision of the liability - amounts for years prior to 2017 are not available.

In 2021, GASB No. 84 related to fiduciary accounting was implemented.

In 2022, GASB No. 87 related to lease agreements was implemented.

In 2023, GASB No. 96 related to subscription-based information technology agreements was implemented.

In 2025, GASB No. 101 related to compensated absences was implemented.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 14,068,135	$ 16,940,567	$ 13,704,037	$ 13,330,211	$ 12,829,743	$ 14,868,402	$ 14,245,503	$ 15,084,162	$ 15,880,498	$ 16,418,355
Special education	5,051,427	5,815,225	7,523,082	7,801,707	8,405,073	10,137,954	9,694,247	8,992,584	10,667,791	10,548,262
Other special education	748,801	874,350	821,318	1,339,957	1,156,134	1,402,755	1,475,144	1,658,279	1,922,105	2,581,546
Other instruction	998,756	1,150,549	1,086,788	975,102	938,622	1,052,064	1,058,871	1,184,939	1,080,648	1,192,820
Support Services:										
Tuition	1,456,789	1,579,407	1,754,246	1,232,033	1,131,987	666,949	485,661	246,269	688,003	707,136
Student & instruction related services	4,761,164	5,870,139	5,690,662	5,668,676	3,308,818	3,074,035	3,929,614	3,332,408	4,464,592	4,887,147
School Administrative services	2,081,738	2,537,395	2,415,281	2,318,410	4,346,642	4,675,804	4,754,524	4,856,742	4,893,687	5,157,415
General administration	1,656,649	2,084,059	1,820,535	1,810,477	2,994,220	3,305,110	3,755,909	4,306,287	4,979,378	5,044,432
Plant operations and maintenance	4,799,132	6,212,261	5,380,033	5,269,669	4,736,117	6,283,963	5,948,497	5,974,880	6,358,935	7,687,322
Pupil transportation	1,994,186	2,473,038	2,548,180	2,227,863	2,285,841	1,843,716	2,608,281	2,829,470	3,553,174	3,053,095
Charter schools	199,526	248,461	295,331	401,161	389,786	353,001	376,414	429,388	394,012	430,543
Interest on long-term debt	417,363	367,736	336,144	301,809	234,905	249,761	216,202	177,015	120,142	460,303
Total governmental activities expenses	$ 38,233,666	$ 46,153,188	$ 43,375,637	$ 42,677,074	$ 42,757,886	$ 47,913,514	$ 48,548,867	$ 49,072,423	$ 55,002,965	$ 58,168,376
Business-type activities:										
Food service	$ 910,714	$ 996,555	$ 1,029,696	$ 1,118,337	$ 982,138	$ 907,312	$ 1,474,382	$ 1,261,165	$ 1,728,576	$ 1,629,529
Total business-type activities expense	$ 910,714	$ 996,555	$ 1,029,696	$ 1,118,337	$ 982,138	$ 907,312	$ 1,474,382	$ 1,261,165	$ 1,728,576	$ 1,629,529
Total district expenses	$ 39,144,380	$ 47,149,743	$ 44,405,333	$ 43,795,411	$ 43,740,025	$ 48,820,825	$ 50,023,249	$ 50,333,588	$ 56,731,542	$ 59,797,905
Program Revenues										
Governmental activities:										
Operating grants and contributions	$ 1,750,606	$ 1,408,526	$ 1,571,417	$ 2,310,784	$ 2,879,200	$ 4,119,832	$ 5,493,736	$ 4,266,680	$ 6,260,970	$ 5,834,739
Total governmental activities program revenues	1,750,606	1,408,526	1,571,417	2,310,784	2,879,200	4,119,832	5,493,736	4,266,680	6,260,970	5,834,739
Business-type activities:										
Charges for services										
Food service	$ 377,545	$ 377,711	$ 375,788	$ 496,171	$ 295,137	$ 10,609	$ 37,834	$ 322,178	$ 367,833	$ 327,834
Operating grants and contributions	596,543	662,217	719,284	786,748	835,965	843,763	1,798,167	1,103,229	1,087,249	1,343,938
Total business type activities program revenues	974,088	1,039,928	1,095,072	1,282,919	1,131,101	854,372	1,836,001	1,425,407	1,455,082	1,671,772
Total district program revenues	$ 2,724,694	$ 2,448,454	$ 2,666,489	$ 3,593,703	$ 4,010,302	$ 4,974,204	$ 7,329,737	$ 5,692,087	$ 7,716,052	$ 7,506,511
Net (Expense)/Revenue										
Governmental activities	$ (36,483,060)	$ (44,744,662)	$ (41,804,221)	$ (40,366,289)	$ (39,878,686)	$ (43,793,682)	$ (43,055,131)	$ (44,805,743)	$ (48,741,996)	$ (52,333,637)
Business-type activities	63,374	43,373	65,376	164,582	148,963	(52,939)	361,619	164,242	(273,494)	42,243
Total district-wide net expense	$ (36,419,686)	$ (44,701,289)	$ (41,738,845)	$ (40,201,708)	$ (39,729,723)	$ (43,846,622)	$ (42,693,512)	$ (44,641,501)	$ (49,015,490)	$ (52,291,393)

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
General Revenues and Other Changes in Net Assets	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Property taxes levied for general purposes, net	$ 14,474,933	$ 14,977,299	$ 15,276,846	$ 16,005,333	$ 16,325,440	$ 16,820,436	$ 16,820,436	$ 17,472,046	$ 17,843,120	$ 18,343,924
Taxes levied for debt service	1,941,922	1,467,020	1,448,003	1,456,869	1,439,930	1,326,135	1,346,280	1,324,180	1,039,280	1,010,451
Unrestricted grants and contributions	20,283,606	27,372,018	24,721,541	22,598,361	22,638,657	26,682,045	27,361,757	29,011,274	37,313,500	39,711,723
Restricted grants	2,359,714	296,693								
Tuition Received	40,411	48,525	46,680	28,722						
Miscellaneous income	364,650	147,823	825,208	495,632	429,879	686,372	846,653	338,113	523,984	341,975
Write off of fixed assets										
Special and extraordinary revenue/(expense)	97,208	7,078	(12,550)	307,749	(162,944)	(17,250)	26,670	502		(168,436)
Total governmental activities	$ 39,562,444	$ 44,316,455	$ 42,305,728	$ 40,892,665	$ 40,670,962	$ 45,497,738	$ 46,401,796	$ 48,146,115	$ 56,719,883	$ 59,239,637
Business-type activities:										
Special and extraordinary revenue/(expense)						$ 56,794	$ (45,256)			
Total business-type activities	$ -	$ -	$ -	$ -	$ -	$ 56,794	$ (45,256)	$ -	$ -	$ -
Total district-wide	$ 39,562,444	$ 44,316,455	$ 42,305,728	$ 40,892,665	$ 40,670,962	$ 45,554,532	$ 46,356,540	$ 48,146,115	$ 56,719,883	$ 59,239,637
Change in Net Position										
Governmental activities	$ 3,079,384	$ (428,207)	$ 501,507	$ 526,376	$ 792,276	$ 1,704,055	$ 3,346,665	$ 3,340,372	$ 7,977,888	$ 6,906,001
Business-type activities	63,374	43,373	65,376	164,582	148,963	3,855	316,363	164,242	(273,494)	42,243
Total district	$ 3,142,758	$ (384,834)	$ 566,883	$ 690,957	$ 941,238	$ 1,707,910	$ 3,663,028	$ 3,504,614	$ 7,704,393	$ 6,948,244

Source: ACFR Exhibit A-2.

Note:
In 2018, the effective date of GASB No. 75 related to post-employment benefits (health benefits) an adjustment was made for the provision of the liability - amounts for years prior to 2017 are not available.

In 2021, GASB No. 84 related to fiduciary accounting was implemented.

In 2022, GASB No. 87 related to lease agreements was implemented.

In 2023, GASB No. 96 related to subscription-based information technology agreements was implemented.

In 2025, GASB No. 101 related to compensated absences was implemented.

Exhibit J-3

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved										
Unreserved										
Restricted	$ 1,843,197	$ 859,588	$ 1,163,684	$ 2,412,292	$ 3,028,827	$ 5,015,079	$ 6,922,032	$ 8,349,753	$ 8,818,145	$ 7,994,471
Assigned	16,298	829,930	1,309,537	559,585	783,595	8,516	30,916	515,970	1,212,340	3,252,099
Maintenance			80,000	130,000	186,000	372,957	528,050	500,000	775,300	
Unassigned						194,837				
Total general fund	$ 1,859,495	$ 1,689,518	$ 2,553,222	$ 3,101,877	$ 3,998,422	$ 5,591,388	$ 7,480,998	$ 9,365,723	$ 10,805,785	$ 11,246,570
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund					(16,928)					
Restricted:										
Special revenue fund						178,889	183,747	171,557	189,816	210,523
Capital projects fund	2,609,203	229,946	2,893	2,389	3,289	3,289				
Debt service fund	70,963	38,378	1	270	41,445	9,019	12,308			1
Total all other governmental funds	$ 2,680,166	$ 268,324	$ 2,894	$ 2,659	$ 27,805	$ 191,197	$ 196,055	$ 171,557	$ 189,816	$ 210,524

Source: ACFR Exhibit B-1.

Note:
In 2018, the effective date of GASB No. 75 related to post-employment benefits (health benefits), an adjustment was made for the provision of the liability - amounts for years prior to 2017 are not available.

In 2021, GASB No. 84 related to fiduciary accounting was implemented.

In 2022, GASB No. 87 related to lease agreements was implemented.

In 2023, GASB No. 96 related to subscription-based information technology agreements was implemented.

In 2025, GASB No. 101 related to compensated absences was implemented.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 16,416,855	$ 16,444,319	$ 16,724,849	$ 17,462,202	$ 17,765,370	$ 18,146,571	$ 18,166,716	$ 18,796,226	$ 18,882,400	$ 19,354,375
Tuition	40,411	48,525	46,680	28,722						
Interest earnings	2,105	405								
Miscellaneous	369,058	154,818	805,710	500,782	429,879	770,760	1,020,985	545,422	689,799	552,674
State sources	16,756,987	17,131,612	17,989,644	20,085,657	21,928,112	24,329,383	29,978,926	33,106,663	41,428,343	48,312,663
Federal sources	1,492,254	1,600,904	1,529,034	1,614,646	1,547,914	2,481,348	3,980,768	3,098,538	6,036,452	2,268,790
Total revenue	35,077,670	35,380,583	37,095,917	39,692,009	41,671,275	45,728,061	53,147,395	55,546,849	67,036,995	70,488,502
Expenditures										
Instruction										
Regular Instruction	9,224,780	9,270,752	8,037,924	8,554,697	8,508,694	8,926,499	9,197,934	10,102,586	10,489,658	11,211,426
Special education instruction	3,109,241	3,105,054	4,382,554	4,972,376	5,574,250	6,719,946	7,060,660	6,723,356	7,827,112	7,891,440
Other special instruction	460,900	466,861	478,457	854,014	766,749	842,168	952,460	1,110,629	1,262,467	1,750,804
Other instruction	614,752	614,339	633,106	621,476	622,495	631,625	683,684	793,610	709,785	808,970
Support Services:										
Tuition	1,456,789	1,579,407	1,754,246	1,232,033	1,131,987	666,949	485,661	246,269	688,003	707,136
Student & inst. related services	3,098,710	3,173,212	3,416,994	3,832,077	2,194,410	2,063,166	3,034,858	2,851,879	3,381,419	3,766,768
General administration	1,019,696	1,112,788	1,060,548	1,153,898	1,985,768	1,984,279	2,425,088	2,907,568	3,293,747	3,445,346
School administrative services	1,281,346	1,354,848	1,407,017	1,477,627	2,882,696	2,807,199	3,069,867	3,252,793	3,214,245	3,497,759
Plant operations and maintenance	2,953,949	3,317,052	3,134,126	3,358,596	3,140,996	3,772,685	3,956,608	4,127,172	4,225,494	5,270,316
Pupil transportation	1,227,456	1,320,485	1,484,436	1,419,917	1,515,971	1,106,907	1,684,097	1,895,032	2,333,777	2,070,609
Employee benefits	7,822,593	8,331,678	8,431,897	9,644,051	10,174,283	12,444,205	15,527,658	16,042,660	18,871,108	19,032,015
Charter schools	199,526	248,461	295,331	401,161	389,786	353,001	376,414	429,388	394,012	430,543
Capital outlay	2,569,031	2,567,859	482,138	208,710	418,868	649,857	1,451,658	2,603,920	17,339,456	14,057,636
Debt service:										
Principal	1,884,000	1,145,000	1,160,000	1,160,000	1,180,000	1,145,000	1,165,000	1,185,000	943,000	965,000
Interest	406,186	354,605	326,380	296,600	218,755	222,580	181,280	139,180	96,280	66,050
Total expenditures	37,328,955	37,962,402	36,485,155	39,187,231	40,705,707	44,336,066	51,252,927	54,411,042	75,069,564	74,971,818
Excess (Deficiency) of revenues over (under) expenditures	(2,251,285)	(2,581,819)	610,762	504,777	965,568	1,391,996	1,894,468	1,135,807	(8,032,569)	(4,483,316)

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing sources (uses)										
Financed purchases (nonbudgeted)									$ 9,490,889	
Capital leases (nonbudgeted)								$ 277,131		$ 33,376
Subscriptions (nonbudgeted)								447,289		
Bond proceeds						$ 9,020				
Grant awarded										
Cancelled Receivable										(168,435)
Transfers in								8,900		20,600
Transfers out			$ (12,488)					(8,900)		(20,600)
Total other financing sources (uses)	-	-	(12,488)	-	-	9,020	-	724,420	9,490,889	(135,059)
Net change in fund balances	$ (2,251,285)	$ (2,581,819)	$ 598,275	$ 504,777	$ 965,568	$ 1,401,015	$ 1,894,468	$ 1,860,227	$ 1,458,321	$ (4,618,375)
Debt service as a percentage of noncapital expenditures	6.59%	4.24%	4.13%	3.74%	3.47%	3.13%	2.70%	2.56%	1.80%	1.69%

Source: ACFR Exhibit B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

In 2021, GASB No. 84 related to fiduciary accounting was implemented.

In 2022, GASB No. 87 related to lease agreements was implemented.

In 2023, GASB No. 96 related to subscription-based information technology agreements was implemented.

In 2025, GASB No. 101 related to compensated absences was implemented.

Exhibit J-5

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Interest on Investments	Miscellaneous	Athletic Events	Refund of Prior Year Expenditures	Tuition	Annual Totals
2016	$ 2,401	$ 39,980	$ 6,823	$ 272,930	$ 40,411	$ 362,545
2017	3,529	62,611	6,317	75,366	48,525	196,348
2018	11,385	54,437	6,446	667,264	46,680	786,212
2019	64,939	25,581	6,065	392,118	28,722	517,425
2020	45,010	17,420	5,473	288,512	59,122	415,537
2021	2,266	27,800	-	554,568	67,458	652,092
2022	1,005	56,196	6,428	692,228	9,531	765,388
2023	58,963	107,079	8,420	139,212	16,921	330,595
2024	157,044	34,463	4,694	6,850	262,846	465,897
2025	126,394	55,139	5,610	63,674	25,703	276,520

Source: District records

REVENUE CAPACITY

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [b]
2016	2,929,800	357,919,900	24,922,700	17,141,900	8,774,700	411,689,000	-	48,880,600	460,569,600	1,314,187,237	3.995
2017	3,006,500	357,199,100	24,841,400	17,097,400	9,068,000	411,212,400	-	48,999,800	460,212,200	1,354,166,813	4.068
2018	3,009,200	356,487,700	24,601,200	17,118,400	9,260,200	410,476,700	-	53,040,800	463,517,500	1,386,482,532	4.254
2019	3,047,500	355,815,200	24,504,000	16,998,400	9,613,200	409,978,300	-	54,329,300	464,307,600	1,423,394,580	4.334
2020	11,729,100	1,259,103,300	85,872,900	98,636,700	55,791,400	1,511,133,400	-	130,134,100	1,641,267,500	1,450,246,131	1.201
2021	11,477,800	1,258,076,900	85,596,300	98,636,700	55,791,400	1,509,579,100	-	130,939,300	1,640,518,400	1,527,021,701	1.204
2022	11,595,600	1,260,539,500	87,290,400	98,636,700	55,423,900	1,513,486,100	-	131,020,900	1,644,507,000	1,692,710,951	1.242
2023	11,326,700	1,263,674,800	87,370,600	98,666,700	55,423,900	1,516,462,700	-	132,540,500	1,649,003,200	1,856,936,603	1.245
2024	12,449,600	1,264,503,400	89,985,000	97,545,800	55,852,200	1,520,336,000	-	132,825,400	1,653,161,400	2,019,915,151	1.273
2025	13,032,000	1,263,726,500	89,541,900	97,116,500	55,852,200	1,519,269,100	-	133,664,300	1,652,933,400	2,255,323,009	1.315

Source: Municipal Tax Assessor

Note: Revaluation effective in 2020.

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per $100 of assessed valuation

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

(rate per $100 of assessed value)

	Borough of South River School District Direct Rate			Overlapping Rates		
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	(From J-6) Total Direct School Tax Rate	Municipality of South River	County of Middlesex	Total Direct and Overlapping Tax Rate
2016	3.639	0.356	3.995	2.181	1.276	7.452
2017	3.716	0.352	4.068	2.363	1.314	7.745
2018	3.900	0.354	4.254	2.443	1.342	8.039
2019	3.952	0.382	4.334	2.558	1.345	8.237
2020	1.113	0.088	1.201	0.711	0.375	2.287
2021	1.115	0.089	1.204	0.733	0.400	2.337
2022	1.156	0.086	1.242	0.755	0.431	2.428
2023	1.159	0.086	1.245	0.773	0.453	2.471
2024	1.203	0.070	1.273	0.795	0.479	2.547
2025	1.246	0.069	1.315	0.839	0.515	2.669

Source: Municipal Tax Collector

Note: Revaluation effective in 2020.

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
b Rates for debt service are based on each year's requirements.

Exhibit J-8

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE (9) YEARS AGO
(UNAUDITED)

	2025				2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
LIT Industrial LP	$ 49,100,900	1	3.23%	LIT Industrial LP	$ 7,266,200	1	1.76%
LIT Northend LLC	32,810,300	2	2.16%	LIT Northend LLC	4,942,500	2	1.20%
Leonardine Garden	14,776,600	3	0.97%	Lighthouse South River LG LLC	2,350,000	3	0.57%
Village Green Living LLC	9,745,300	4	0.64%	Emess Apts Ltd.	1,571,400	4	0.38%
Emess Apts Ltd.	8,554,800	5	0.56%	East Coast Village Green Apts	1,200,000	5	0.29%
Absolutely Property Management	4,174,500	6	0.27%	425 Whitehead Ave LLC	980,000	6	0.24%
Willet Garden & Kasztl Willets LLC	3,439,300	7	0.23%	Zifovski, Zlatan & Lube	800,300	7	0.19%
425 Whitehead, LLC	3,338,600	8	0.22%	Felmore Associates	700,000	8	0.17%
Sherwood Court	3,251,300	9	0.21%	Sherwood Court	633,100	9	0.15%
Zifovski, Zlatan & Lube	3,157,100	10	0.21%	DiNicola, Patrick and Barbara	622,500	10	0.15%
Total	$ 132,348,700		8.71%		$ 21,066,000		5.12%
Total Assessed Valuation	$ 1,519,269,100				$ 411,689,000		

Source: Municipal Tax Assessor

Note: Revaluation effective in 2020.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 30,696,741	$ 30,044,664	97.88%	$ 583,562
2017	31,882,585	31,128,301	97.63%	692,610
2018	33,031,601	32,381,286	98.03%	583,781
2019	33,823,851	33,266,659	98.35%	524,499
2020	34,572,067	34,060,000	98.52%	462,788
2021	35,339,555	34,855,353	98.62%	1,093,837
2022	36,797,446	36,324,438	98.71%	433,873
2023	37,571,835	37,046,712	98.60%	473,133
2024	38,750,733	38,323,962	98.90%	577,328
2025	40,594,964	40,049,633	98.65%	N/A

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

Exhibit J-10

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Financed Purchases	Leases	Subscription Arrangements	Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	11,158,000	-	271,726	-	119,171	11,548,897	2.56%	721
2017	10,013,000	-	182,756	-	60,032	10,255,788	2.27%	640
2018	8,853,000	-	92,191	-	-	8,945,191	1.98%	559
2019	7,693,000	-	-	-	-	7,693,000	1.70%	481
2020	6,258,000	-	-	-	-	6,258,000	1.39%	391
2021	5,113,000	-	-	-	-	5,113,000	0.94%	317
2022	3,948,000	-	122,042	-	238,971	4,309,013	0.79%	267
2023	2,763,000	-	222,563	70,000	180,764	3,236,327	0.59%	201
2024	1,820,000	9,400,889	154,938	35,000	121,544	11,532,371	2.12%	715
2025	855,000	7,614,358	110,520	-	61,296	8,641,173	1.59%	536

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

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

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	11,158,000	-	11,158,000	2.43%	697
2017	10,013,000	-	10,013,000	2.17%	675
2018	8,853,000	-	8,853,000	1.91%	553
2019	7,693,000	-	7,693,000	1.66%	481
2020	6,258,000	-	6,258,000	0.38%	391
2021	5,113,000	-	5,113,000	0.34%	317
2022	3,948,000	-	3,948,000	0.26%	245
2023	2,763,000	-	2,763,000	0.18%	171
2024	1,820,000	-	1,820,000	0.12%	113
2025	855,000	-	855,000	0.06%	53

Notes:

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

a See Exhibit NJ J-6 for property tax data.

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

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of South River	$ 34,293,046	100%	$ 34,293,046
County of Middlesex	598,568,870	1.4178%	8,486,509
Other debt			None
Subtotal, overlapping debt			42,779,555
Borough of South River District Direct Debt:			
Issued and outstanding - Bonds	$ 855,000	100%	$ 855,000
Authorized but not Issued - Bonds and Notes	None	100%	None
Total direct and overlapping debt			$ 43,634,555

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

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

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

Exhibit J-13

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis		
2024	$	2,250,349,319
2023		2,008,559,868
2022		1,847,517,212
	$	6,106,426,399
Average equalized valuation of taxable property	$	2,035,475,466
Debt limit (4 % of average equalization value)		81,419,019 **a**
Total net debt applicable to limit		855,000
Legal debt margin	$	80,564,019

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 52,572,821	$ 53,085,280	$ 54,296,731	$ 55,382,780	$ 56,586,787	$ 58,449,420	$ 61,957,107	$ 67,383,427	$ 73,853,292	$ 81,419,019
Total net debt applicable to limit	12,546,371	10,446,656	8,933,771	7,693,000	6,258,000	5,113,000	3,948,000	2,763,000	1,820,000	855,000
Legal debt margin	$ 40,026,450	$ 42,638,624	$ 45,362,960	$ 47,689,780	$ 50,328,787	$ 53,336,420	$ 58,009,107	$ 64,620,427	$ 72,033,292	$ 80,564,019
Total net debt applicable to the limit as a percentage of debt limit	23.86%	19.68%	16.45%	13.89%	11.06%	8.75%	6.37%	4.10%	2.46%	1.05%

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Year	Population [a]	Personal Income [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	16,008	451,073,424	28,178	7.10%
2017	16,008	451,073,424	28,178	6.30%
2018	16,008	451,073,424	28,178	5.50%
2019	16,008	451,073,424	28,178	5.40%
2020	16,008	451,073,424	28,178	4.40%
2021	16,118	545,175,232	33,824	10.70%
2022	16,118	545,175,232	33,824	7.80%
2023	16,118	545,175,232	33,824	5.10%
2024	16,118	545,175,232	33,824	5.10%
2025	16,118	545,175,232	33,824	5.80%

Source:

[a] Population information provided by the 2010 census for 2016-2020 and the 2020 census for 2021-2025.

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

[c] Per capita personal income by municipality estimated based upon the 2010 census for 2016-2020 and the 2020 census for 2021-2025 published by the New Jersey Department of Labor.

[d] Unemployment data provided by the New Jersey Deptartment of Labor and Workforce Development - previous year benchmark.

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE (9) YEARS AGO
(UNAUDITED)

	2025			2016		
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
South River Board of Education	358	1	0.00%	243	1	0.00%
Borough of South River	192	2	0.00%	103	2	0.00%
Wawa	52	3	0.00%	18	4	0.00%
Rite Aid	21	4	0.00%	9	5	0.00%
U.S. Postal Service	19	5	0.00%	26	3	0.00%
	642		0.00% (1)	399		0.00% (1)

Source: Borough of South River

(1) Total employment within Municipality not available from authoritative source.

OPERATING INFORMATION

Exhibit J-16

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	131	131	132	151	153	163	163	158	186	184
Special education	48	48	48	47	48	55	57	55	51	55
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	26	26	26	42	42	42	42	42	43	43
General administration	3	3	2	2	2	2	2	2	2	2
School administrative services	17	17	17	18	18	18	18	19	19	20
Other administrative services										
Central services	6	6	6	7	7	7	7	7	7	8
Administrative Information Technology										
Plant operations and maintenance	6	6	6	5	5	5	5	5	5	5
Pupil transportation										
Other support services	6	6	6	6	6	6	6	6	6	6
Special Schools										
Food Service										
Child Care										
Total	243.00	243.00	243.00	278.00	281.00	298.00	300.00	294.00	319.00	323.00

Source: District Personnel Records

Exhibit J-17

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Primary (K-1) [e]	Elementary (2-5)	Middle School (6-8)	Senior High School				
2016	2,218	32,469,737	14,639	6.45%	179.00	1:18	1:20	1:16	1:17	2211.0	2,103	-3.03%	95.12%
2017	2,210	33,894,938	15,337	4.77%	181.00	1:18	1:20	1:16	1:17	2208.0	2,074	-0.14%	93.93%
2018	2,191	34,516,637	15,754	2.72%	182.00	1:18	1:20	1:16	1:17	2192.1	2,073	-0.72%	94.56%
2019	2,262	37,521,722	16,588	5.29%	198.00	1:15	1:15	1:15	1:15	2236.1	2,106	2.01%	94.18%
2020	2,319	38,888,084	16,769	1.09%	201.00	1:14	1:15	1:15	1:16	2311.0	2,153	3.35%	93.16%
2021	2,306	42,318,629	18,352	9.44%	218.00	1:14	1:15	1:15	1:16	2287.0	2,172	-1.04%	94.97%
2022	2,374	48,454,989	20,411	11.22%	203.00	1:11	1:10	1:11	1:13	2396.0	2,214	4.77%	92.40%
2023	2,484	50,482,942	20,323	10.74%	213.00	1:11	1:08	1:09	1:11	2448.8	2,268	7.07%	92.62%
2024	2,425	56,690,828	23,378	14.54%	237.00	1:11	1:09	1:09	1:11	2424.7	2,261	1.20%	93.25%
2025	2,424	59,883,132	24,704	21.56%	239.00	1:11	1:09	1:09	1:11	2411.8	2,240	-1.51%	92.88%

Sources: District records

Note: Enrollment based on June district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.
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 Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

Exhibit J-18

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Primary (2005)										
Square Feet	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350	58,350
Capacity (Students)	440	440	440	440	440	440	440	440	440	440
Enrollment	501	469	475	486	438	426	438	517	475	519
Elementary (1997)										
Square Feet	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770	78,770
Capacity (Students)	540	540	540	540	540	540	540	540	540	540
Enrollment	587	567	548	582	651	655	638	665	692	497
Middle School (1997)										
Square Feet	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180	73,180
Capacity (Students)	559	559	559	559	559	559	559	559	559	559
Enrollment	516	534	533	525	538	512	550	533	537	525
High School (1957)										
Square Feet	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768	102,768
Capacity (Students)	625	625	625	625	625	625	625	625	625	625
Enrollment	614	640	635	669	692	713	748	769	721	713
Early Learning Center (2024)										
Square Feet	-	-	-	-	-	-	-	-	-	24,574
Capacity (Students)	-	-	-	-	-	-	-	-	-	180
Enrollment	-	-	-	-	-	-	-	-	-	170
Other										
Central Administration										
Square Feet	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274	2,274

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

Source: District Facilities Office
Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the end of fiscal year district count.

Exhibit J-19

BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN (10) FISCAL YEARS
(UNAUDITED)

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

	* School Facilities Project # (s)	High School	Middle School	Elementary School	K-2 Primary School	ELC School	Administration Office	Total
2016	N/A	$ 262,150	$ 192,800	$ 180,100	$ 133,500	-	$ 23,418	$ 791,968
2017	N/A	217,150	326,100	324,175	147,350	-	26,543	1,041,318
2018	N/A	194,651	194,586	174,107	107,725	-	35,200	706,269
2019	N/A	291,209	218,135	196,616	138,204	-	27,394	871,558
2020	N/A	216,748	208,930	206,075	140,423	-	24,429	796,605
2021	N/A	452,050	235,290	214,263	200,827	-	46,044	1,148,474
2022	N/A	314,451	220,507	230,953	210,761	-	30,771	1,007,443
2023	N/A	282,159	217,962	219,043	177,198	-	27,249	923,611
2024	N/A	483,648	200,217	238,314	185,817	-	26,254	1,134,250
2025	N/A	492,898	345,254	321,681	433,718	$ 78,683	38,643	1,710,877
Total School Facilities		$ 3,207,114	$ 2,359,781	$ 2,305,327	$ 1,875,523	$ 78,683	$ 305,945	$ 10,132,373

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

Source: District records

BOARD OF EDUCATION
SOUTH RIVER BOROUGH SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

Type of Policy	Coverage		Deductible
MULTI PERIL PACKAGE POLICY			
PROPERTY			
Blanket Building and Contents	$ 102,946,408		$ 5,000
Extra Expense	50,000,000		
Computers and Media	Included		1,000
ENERGY SYSTEMS			
Boiler and Machinery	102,946,408		
COMMERCIAL LIABILITY			
Bodily Injury/Property Damage	31,000,000	Each occurrence	
Products and Completed Operation	31,000,000		
Personal Injury/Advertising Inj.	31,000,000		
Medical Expense	10,000		
Employee Benefits Liability	31,000,000		
Sexual Abuse	15,000,000	Each occurrence	
Sexual Abuse NJSIG Agg.	27,000,000		
CRIME			
Money and Securities	50,000		
Employee Dishonesty	100,000		
Forgery or Alteration	100,000		
Computer Fraud	100,000		
BUSINESS AUTO			
Bodily Injury/Prop Damage Liab.	31,000,000		
Personal Injury Protection	Statuory		
Medical Payments (PIP)	10,000		
Uninsured/Underinsured	1,000,000		
Comprehensive Deductible			1,000
Collision Deductible			1,000
SCHOOL BOARD LEGAL			
Coverage A			
Limit of Liability	30,000,000		
Each Claim	5,000		
Coverage B			
Limit of Liability	300,000		5,000
Each Claim	100,000		
CATASTROPHE ACCESS PLAN			
Limit of Liability	25,000,000		
WORKERS COMPENSATION			
Section B	3,000,000		

BOARD OF EDUCATION
SOUTH RIVER BOROUGH SCHOOL DISTRICT
COUNTY OF MIDDLESEX
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

Type of Policy	Coverage		Deductible
ENVIRONMENTAL LIABILITY			
Limit of Liability	$ 1,000,000	Each Loss	$ 10,000
	1,000,000	Aggregate	
STUDENT ACCIDENT			
Limit of Liability	1,000,000		
Interscholastic Sports	10,000,000		
BONDS			
Board Secretary - Johnny Rosa	25,000		
Treasurer of School Monies - Joseph Zanga	257,000		
ENVIRONMENTAL LIABILITY			
First Party Personal Property	100,000		
Microbial Matter Chean up Cost Deductible			100,000
Microbial Matter Damages Deductible			50,000
CYBER BREACH RESPONSE			
Policy Aggregate of Liability	10,000,000		
Agg. Sublimit per Schedule Insured	2,000,000		
Privacy Breach Response Services:			
Notified Individuals Limit	2,000,000	Aggregate	
	250,000	sublimit per Scheduled Insured	
Computer Expert/Legal Services and Aggregate Limit Liability	2,500,000	Aggregate	
PR/Crisis Mgmt. Expenses Combin	1,000,000	sublimit per Scheduled Insured	
Each Claim Retention	20,000	(Scheduled Insureds with 10,000 or more students)	
	10,000	(Scheduled Insureds with 9,999 or few students)	
Privacy Breach Response Retentions	Various amounts		

SINGLE AUDIT SECTION

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

Honorable President and Members
of the Board of Education
Borough of South River Board of Education
County of Middlesex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, 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 Borough of South River Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Borough of South River Board of Education's basic financial statements, and have issued our report thereon dated January 15, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the South River Borough 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 South River Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that may not have been identified. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of the Borough of South River School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

Samuel Klein and Company, LLP

SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 15, 2026

SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Borough of South River Board of Education
County of Middlesex, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Borough of South River Board of Education, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of South River Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2025. The Borough of South River Board of Education, State of New Jersey'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 Borough of South River Board of Education, State of New Jersey 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.* Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of South River Board of Education, State of New Jersey 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 Borough of South River Board of Education, State of New Jersey's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough of South River Board of Education, State of New Jersey'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 Borough of South River Board of Education, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material is there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of South River Board of Education, State of New Jersey'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 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 best basis, evidence regarding the Borough of South River Board of Education, State of New Jersey's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of South River Board of Education, State of New Jersey's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough of South River Board of Education, State of New Jersey'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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB 15-08 (CONTINUED)

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB 15-08.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 15-08. Accordingly, this report is not suitable for any other purpose.

Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912

Samuel Klein and Company, LLP

SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 15, 2026

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2024 Deferred Revenue	June 30, 2024 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2025 Deferred Revenue	June 30, 2025 (Accounts Receivable)	Due to Grantor
General Fund:												
US Department of Health and Human Services:												
Medical Assistance Program	93.778	2005NJ5MAP	7/1/24-6/30/25	$ 86,974.24			$ 59,171.83	$ (86,974.24)			$ (27,802.41)	
Total General Fund							$ 59,171.83	$ (86,974.24)			$ (27,802.41)	
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Food Distribution Program	10.555	251NJ304N1099	7/1/24-6/30/25	$ 148,305.81			$ 148,305.81	$ (139,371.93)		$ 8,933.88		
Food Distribution Program	10.555	241NJ304N1099	7/1/23-6/30/24	123,771.62	$ 6,402.78			(6,402.78)				
National School Lunch Program	10.555	251NJ304N1099	7/1/24-6/30/25	835,617.89			773,924.55	(835,617.89)			$ (61,693.34)	
National School Lunch Program	10.555	241NJ304N1099	7/1/23-6/30/24	691,336.10		$ (146,625.30)	146,625.30					
School Breakfast Program	10.553	251NJ304N1099	7/1/24-6/30/25	249,786.47			230,827.07	(249,786.47)			(18,959.40)	
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	190,010.99		(41,490.46)	41,490.46					
After School Snack	10.555	241NJ304N1099	7/1/23-6/30/24	37,571.04		(6,771.96)	6,771.96					
After School Snack	10.555	251NJ304N1099	7/1/24-6/30/25	45,629.10			43,935.10	(45,629.10)			(1,694.00)	
Summer Food Service - Food	10.559	251NJ304N1099	7/1/24-6/30/25	6,859.01			6,859.01	(6,859.01)				
Summer Food Service - Admin.	10.559	251NJ304N1099	7/1/24-6/30/25	537.84			537.84	(537.84)				
Total Enterprise Fund					$ 6,402.78	$ (194,887.72)	$ 1,399,277.10	$ (1,284,205.02)		$ 8,933.88	$ (82,346.74)	
Special Revenue Fund:												
U.S. Department of Education:												
Passed-Through State Department of Education:												
Title I, Part A	84.010	S010A250030	7/1/24-9/30/25	$ 471,304.00			$ 370,898.00	$ (465,755.33)			$ (94,857.33)	
Title I, Part A	84.010	S010A240030	7/1/23-9/30/24	380,035.00		$ (51,018.22)	51,018.00		$ 0.22			
Title I SIA	84.010	S010A250030	7/1/24-9/30/25	50,000.00			46,614.00	(50,000.00)			(3,386.00)	
Title I SIA	84.010	S010A240030	7/1/23-9/30/24	36,400.00		(0.67)	1.00		(0.33)			
Title II, Part A	84.367A	S367A250029	7/1/24-9/30/25	70,804.00			36,962.00	(80,119.00)			(43,157.00)	
Title II, Part A	84.367A	S367A240029	7/1/23-9/30/24	61,976.00		(25,297.48)	25,297.00		0.48			

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing Number	Federal FAIN Number	Grant Period	Award Amount	June 30, 2024 Deferred Revenue	June 30, 2024 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustment	June 30, 2025 Deferred Revenue	June 30, 2025 (Accounts Receivable)	Due to Grantor
Special Revenue Fund: (Continued)												
U.S. Department of Education: (Continued)												
Passed-Through State Department of Education: (Continued)												
Title III	84.365	S365A250030	7/1/24-9/30/25	$ 91,982.00			$ 55,624.00	$ (70,919.26)			$ (15,295.26)	
Title III	84.365	S365A240030	7/1/23-9/30/24	91,529.00		$ (87,702.56)	87,703.00		$ (0.44)			
Title III Immigrant	84.365	S365A250030	7/1/24-9/30/25	18,534.00			17,875.00	(21,064.00)			(3,189.00)	
Title III Immigrant	84.365	S365A240030	7/1/23-9/30/24	25,653.00		(26,158.59)	26,159.00		(0.41)			
Title IV	84.424A	S424A250031	7/1/24-9/30/25	29,674.00			17,535.00	(24,994.77)			(7,459.77)	
Title IV	84.424A	S424A240031	7/1/23-9/30/24	31,513.00		(26,883.31)	26,883.00		0.31			
I.D.E.A. Preschool	84.173A	H173A250114	7/1/24-9/30/25	21,197.00			8,682.00	(18,284.35)			(9,602.35)	
I.D.E.A. Preschool	84.173A	H173A240114	7/1/23-9/30/24	22,165.00		(16,837.00)	16,837.00					
I.D.E.A. Part B	84.027A	H027A250100	7/1/24-9/30/25	799,047.00			533,320.00	(770,846.15)			(237,526.15)	
I.D.E.A. Part B	84.027A	H027A240100	7/1/23-9/30/24	793,015.00		(220,777.35)	220,777.00		0.35			
21st Century	84.287	S287C250030	9/1/24-8/31/25	600,000.00			306,302.00	(532,034.02)			(225,732.02)	
21st Century	84.287	S287C240030	9/1/23-8/31/24	550,000.00		(221,197.09)	323,701.00	(101,003.71)	(0.11)	$ 1,500.09		
I.D.E.A. CCLC Supplemental	84.287	S287C250030	9/1/24-8/31/25	29,969.00				(10,105.14)			(10,105.14)	
High Impact Tutoring	84.425V	S425V240031	10/11/23-8/31/24	154,000.00		(153,995.20)	153,995.00		0.20			
ARP ESSER	84.425U	S425U240027	3/13/20-9/30/24	4,398,193.00		(1,196,871.00)	1,205,102.00	(8,231.00)				
ARP Mental Health	84.425U	S425U240027	3/13/20-9/30/24	445,613.00		(61,727.00)	61,727.00					
ARP Comprehensive	84.425U	S425U240027	3/13/20-9/30/24	40,000.00		(5,832.03)	8,386.00	(2,554.00)	0.03			
ARP Learning Acceleration	84.425U	S425U240027	3/13/20-9/30/24	233,782.00		(29,311.00)	29,311.00					
ARP Summer	84.425U	S425U240027	3/13/20-9/30/24	40,000.00			10,404.00	(10,404.04)	0.04			
Adult Basic Education	84.002	N/A	7/1/24-6/30/25	73,598.00			1,125.00	(70,867.24)	0.05		(69,742.19)	
Adult Basic Education	84.002	N/A	7/1/23-6/30/24	61,969.00		(49,337.95)	49,338.00		(0.05)			
Total Special Revenue Fund						$ (2,172,946.45)	$ 3,691,576.00	$ (2,237,182.01)	$ 0.34	$ 1,500.09	$ (720,052.21)	
Total Federal Financial Assistance					$ 6,402.78	$ (2,367,834.17)	$ 5,150,024.93	$ (3,608,361.27)	$ 0.34	$ 10,433.97	$ (830,201.36)	

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2024 Due to Grantor	June 30, 2024 Deferred Revenue	June 30, 2024 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance, June 30, 2025 Deferred Revenue	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education														
General Fund:														
Categorical Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	$ 2,790,011.00				$ 2,790,011.00	$ (2,790,011.00)					$ (278,163.00)	$ (2,790,011.00)
Categorical Security Aid	25-495-034-5120-084	7/1/24-6/30/25	897,081.00				897,081.00	(897,081.00)					(89,438.00)	(897,081.00)
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	28,694,671.00				28,694,671.00	(28,694,671.00)					(2,860,844.00)	(28,694,671.00)
Categorical Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	502,357.00				502,357.00	(502,357.00)					(50,085.00)	(502,357.00)
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	436,158.00					(436,158.00)			$ (436,158.00)			(436,158.00)
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	628,645.00			$ (628,645.00)	628,645.00							
Non-public Transportation	25-495-034-5120-014	7/1/24-6/30/25	42,018.00					(42,018.00)			(42,018.00)			(42,018.00)
Non-public Transportation	24-495-034-5120-014	7/1/23-6/30/24	44,825.00			(44,825.00)	44,825.00							
Menstrual Product Aid	N/A	7/1/24-6/30/25	8,152.00					(8,152.00)			(8,152.00)			(8,152.00)
Reimbursed T.P.A.F. Social Security Contribution	25-495-034-5094-003	7/1/24-6/30/25	1,493,725.44				1,420,638.60	(1,493,725.44)			(73,086.84)			(1,493,725.44)
Reimbursed T.P.A.F. Social Security Contribution	24-495-034-5094-003	7/1/23-6/30/25	1,373,048.84			(68,100.98)	68,100.98							
On-behalf TPAF - Pension	25-495-034-5094-002	7/1/24-6/30/25	6,526,921.00				6,526,921.00	(6,526,921.00)						(6,526,921.00)
On-behalf TPAF - Post Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	1,907,172.00				1,907,172.00	(1,907,172.00)						(1,907,172.00)
On-behalf TPAF - Long Term Disability	25-495-034-5094-004	7/1/24-6/30/25	3,902.00				3,902.00	(3,902.00)						(3,902.00)
Total General Fund						$ (741,570.98)	$ 43,484,324.58	$ (43,302,168.44)			$ (559,414.84)		$ (3,278,530.00)	$ (43,302,168.44)
Enterprise Fund:														
National School Breakfast Program	25-100-010-3350-021	7/1/24-6/30/25	$ 16,028.03				$ 14,775.83	$ (16,028.03)			$ (1,252.20)			$ (16,028.03)
National School Breakfast Program	24-100-010-3350-021	7/1/23-6/30/24	10,995.40			$ (2,364.65)	2,364.65							
National School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	40,920.39				37,927.87	(40,920.39)			(2,992.52)			(40,920.39)
National School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	33,564.25			(6,987.28)	6,987.28							
Summer Supplemental	25-100-010-3350-023	7/1/24-6/30/25	253.10				253.10	(253.10)						(253.10)
Total Enterprise Fund						$ (9,351.93)	$ 62,308.73	$ (57,201.52)			$ (4,244.72)			$ (57,201.52)
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	$ 41,525.00				$ 41,525.00	$ (40,851.00)				$ 674.00		$ (40,851.00)
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	38,270.00	$ 1,094.00					$ (1,094.00)					
Nursing	25-100-034-5120-070	7/1/24-6/30/25	106,600.00				106,600.00	(87,883.00)				18,717.00		(87,883.00)
Nursing	24-100-034-5120-070	7/1/23-6/30/24	79,440.00	3,791.00					(3,791.00)					

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2024 Due to Grantor	June 30, 2024 Deferred Revenue	June 30, 2024 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance, June 30, 2025 Deferred Revenue	Balance, June 30, 2025 (Accounts Receivable)	Balance, June 30, 2025 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
Special Revenue Fund: (Continued)														
Security	25-100-034-5120-509	7/1/24-6/30/25	$ 168,100.00				$ 168,100.00	$ (167,979.00)				$ 121.00		$ (167,979.00)
Security	24-100-034-5120-509	7/1/23-6/30/24	135,710.00	$ 88.00					$ (88.00)					
Technology	25-100-034-5120-373	7/1/24-6/30/25	39,788.00				39,788.00	(39,760.00)				28.00		(39,760.00)
Technology	24-100-034-5120-373	7/1/23-6/30/24	32,438.00	9.00					(9.00)					
Auxiliary Services:														
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	89,646.00				89,646.00	(89,645.00)				1.00		(89,645.00)
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	73,771.00	8,027.00					(8,027.00)					
English as a Second Language	25-100-034-5120-067	7/1/24-6/30/25	19,512.00				19,512.00	(19,512.00)						(19,512.00)
Handicapped Services:														
Supplemental Instruction	25-100-034-5120-066	7/1/24-6/30/25	11,564.00				11,564.00	(11,564.00)						(11,564.00)
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	21,234.00				21,234.00	(13,277.00)				7,957.00		(13,277.00)
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	24,924.00				24,924.00	(23,994.00)				930.00		(23,994.00)
Nonpublic Teacher STEM	24-100-034-5120-373	7/1/23-6/30/24	6,638.89			$ (1,566.31)	1,566.31							
Advanced Placement	24-100-034-5063-364	4/1/24-8/29/25	49,912.00				7,283.00	(17,055.40)			$ (9,772.40)			(17,055.40)
Computer Science	24-100-034-5063-349	6/1/24-8/31/25	34,841.00				12,232.00	(22,114.41)			(9,882.41)			(22,114.41)
FOCUS Competitive	25-100-034-5063-371	6/1/25-5/31/26	6,630.00											
Preschool Facilities Expansion	23E00492	2/24/23-8/31/24	1,966,306.00				1,499,494.00	(1,966,306.00)			(466,812.00)			(1,966,306.00)
Preschool Expansion Aid	25-495-034-5120-086	7/1/24-6/30/25	2,876,790.00				3,126,589.41	(3,202,532.33)	122,586.42	$ 46,643.50			$ (286,815.00)	(3,202,532.33)
Preschool Expansion Aid	24-495-034-5120-086	7/1/23-6/30/24	2,496,750.00		$ 122,586.42				(122,586.42)					
Total Special Revenue Fund				$ 13,009.00	$ 122,586.42	$ (1,566.31)	$ 5,170,057.72	$ (5,702,473.14)	$ (13,009.00)	$ 46,643.50	$ (486,466.81)	$ 28,428.00	$ (286,815.00)	$ (5,702,473.14)
Total State Financial Assistance				$ 13,009.00	$ 122,586.42	$ (752,489.22)	$ 48,716,691.03	$ (49,061,843.10)	$ (13,009.00)	$ 46,643.50	$ (1,050,126.37)	$ 28,428.00	$ (3,565,345.00)	$ (49,061,843.10)
Less On-behalf TPAF:														
Pension	25-495-034-5094-002	7/1/24-6/30/25						$ 6,526,921.00						
Post-Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25						1,907,172.00						
Long Term Disability	25-495-034-5094-004	7/1/24-6/30/25						3,902.00						
Total for State Assistance Major Program								$ (40,623,848.10)						

See Accompanying Notes to Schedules of Federal Awards and State Financial Assistance

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Borough of South River School District. The information in this Schedule is presented in accordance with the requirements of Title 2, US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. 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 schedules or expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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 last two (2) state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) 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.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2025

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $405,608.00 for the General Fund and a decrease of $341,736.56 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	Federal	State	Total
Governmental Funds:			
General Fund	$ 86,974.24	$ 42,896,560.44	$ 42,983,534.68
Special Revenue Fund	2,181,816.00	5,416,102.59	7,597,918.59
	2,268,790.24	48,312,663.03	50,581,453.27
Proprietary Fund:			
Food Service Fund	1,286,736.12	57,201.52	1,343,937.64
	$ 3,555,526.36	$ 48,369,864.55	$ 51,925,390.91

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans outstanding payable to federal or state entities at June 30, 2025.

6. OTHER

The amount reported as TPAF Pension Contributions and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share social security contributions for TPAF members for the year ended June 30, 2025.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% di minimus indirect cost rate.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified, dated January 15, 2026

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes __X__ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Noncompliance material to basic financial statements noted? _____ yes __X__ no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? _____ yes __X__ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes __X__ none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated January 15, 2026

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of *Uniform Guidance*? _____ yes __X__ no

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.027A 84.173A	IDEA Cluster: IDEA Regular & IDEA Preschool
10.553 & 10.555	Child Nutrition Cluster: National School Lunch/Breakfast Program

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

Auditee qualified as low-risk auditee? __X__ yes _____ no

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? _____ yes ___X___ no

2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes ___X___ none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated January 15, 2026

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? _____ yes ___X___ no

Identification of major programs:

State Grant/Project Number	Name of State Program or Cluster
	Cluster:
25-495-034-5120-089	Categorical Special Education Aid
25-495-034-5120-084	Categorical Security Aid
24-495-034-5120-078	Equalization Aid
24-495-034-5094-003	Reimbursed TPAF FICA Contribution
24-495-034-5120-086	Preschool Education
23-E00492	Preschool Facilities Expansion

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

Auditee qualified as low-risk auditee? _____ yes ___X___ no

Section II - Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards.*

None.

Section III - Schedule of State Financial Assistance Findings and Questioned Costs

No federal or state award findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

None.

BOARD OF EDUCATION
BOROUGH OF SOUTH RIVER SCHOOL DISTRICT
COUNTY OF MIDDLESEX
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

FOR THE YEAR ENDED JUNE 30, 2024:

There were no findings for the year ended June 30, 2024.