BOROUGH OF BOUND BROOK
SCHOOL DISTRICT

Bound Brook Borough Board of Education
Bound Brook, New Jersey

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

Annual Comprehensive Financial Report

of the

BOROUGH OF BOUND BROOK SCHOOL DISTRICT

Bound Brook, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Bound Brook Borough Board of Education
Business Office

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INTRODUCTORY SECTION
(UNAUDITED)

BOUND BROOK BOARD OF EDUCATION
130 WEST MAPLE AVENUE
BOUND BROOK, NJ 08805

November 20, 2025

The Honorable President and
Members of the Board of Education
of the Borough of Bound Brook School District
County of Somerset
Bound Brook, New Jersey 08805

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Borough of Bound Brook 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 Borough of Bound Brook School District (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 basic financial statements 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 and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Borough of Bound Brook School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Borough of Bound Brook Board of Education and its schools constitute the District's reporting entity.

The District continues to provide a full range of educational services appropriate to grade levels Preschool Handicapped through Grade 12. These include regular, pre-vocational and special education programs. The District completed the 2024-2025 school year with an average daily enrollment of 2,191 students, which is increase of 124 students more than last year.

2. ECONOMIC CONDITION AND OUTLOOK

The district remains one of the most underfunded school districts in New Jersey, receiving per-pupil funding significantly below the level prescribed by the School Funding Reform Act.

As S-2 status implementation is over in 2024-2025, any reduction or stagnation in state support could impact the district's capacity to sustain current academic programs, staffing levels, and essential student services. At the same time, continued enrollment growth, especially with preschool expansion and rising healthcare premiums are placing increased demands on classroom space, personnel, and support infrastructure.

The School District continues to demonstrate strong fiscal stewardship amid persistent structural funding challenges.

3. MAJOR INITIATIVES

In the 2024–2025 school year, the district focused on strengthening curriculum and instructional programs across all levels. This included the adoption of new and updated materials in science, history, and mathematics, along with the refinement of curriculum maps to align with the most current ELA and mathematics standards. These efforts aimed to ensure consistency, academic rigor, and alignment with state expectations.

To support high-quality instruction and student achievement, the district invested in additional staffing. This included new teachers to expand Gifted & Talented programs in K-2, as well as academic coaches specializing in ESL, bilingual, and mathematics across grade levels. Furthermore, ELA and mathematics interventionists were hired to provide targeted academic support to high school students.

The district also expanded learning beyond the traditional classroom by enhancing summer and after-school enrichment opportunities. These programs were designed to offer all students meaningful academic and enrichment experiences that support their ongoing growth and development.

In September 2024, the district launched its K–6 Dual Language Immersion Program, representing a significant advancement in expanding equitable access to bilingual education. This initiative reflects a deliberate and strategic effort to establish strong biliteracy pathways, beginning in the early grades, with the goal of fostering academic achievement and cultural fluency in two languages.

As a result of these efforts, in June 2025, Forty four (44) graduating seniors, representing 66% of the senior class, earned the New Jersey Seal of Biliteracy. This achievement signifies demonstrated proficiency in both English and Spanish and reflects the district's ongoing commitment to multilingual education and student success.

To support the implementation and sustainability of the program, the district placed a strong emphasis on the recruitment of highly qualified bilingual educators. District representatives actively participated in career fairs at Kean University and Montclair State University, focusing on attracting educators with the skills and certification necessary to meet the demands of a growing dual language program. These recruitment efforts enhanced the district's ability to build instructional capacity and positioned it competitively in the education labor market.

3. MAJOR INITIATIVES (Cont'd)

The SCDOE has approved the request to establish the COMET program for Special Education Students. The district continues to educate the STAR students beyond the age of 18 and serve them until 21 for vocational training and community- based instruction.

To expand student pathways and targeted academic support for bubble students, we strengthened CCR through alumni panels, RVCC/Stockton dual credit courses and NJGPA tutoring. We redesigned Preschool to Grade 12 guidance by instituting failure data reviews and creating senior support programs to reduce graduation risks and aligned interventions across schools.

The district had major capital projects in the course of FY2024-2025, including boiler heating system replacement in three elementary schools and the high school, the high school Gym upgrade, high school bathroom renovations. All these major projects are expected to be completed by October 2025. We also installed new sump pumps in two school building and new school signs were installed in all school buildings.

The district submitted two reimbursement requests to the New Jersey Schools Development Authority (NJSDA) under the Regular Operating District (ROD) grant program by June 30, 2025, totaling $1,074,921. These requests are part of a total anticipated state reimbursement of $2,687,302 for boiler replacement projects at four district buildings. As of June 2025, the projects were approximately 65 percent complete and progressing according to schedule, with full completion and operational readiness expected by October 2025.

The district has initiated a plan to add four modular classrooms at Lamont School to accommodate the increasing preschool enrollment. Financing for this expansion, totaling $3,850,000 through an equipment lease, is expected to close in July 2025. Following the completion of the design and engineering phase, construction is scheduled to begin in Fall 2025, with the classrooms anticipated to be fully operational by Spring 2026.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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 a vote of the Board of Education. 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 fiscal year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent fiscal year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

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

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

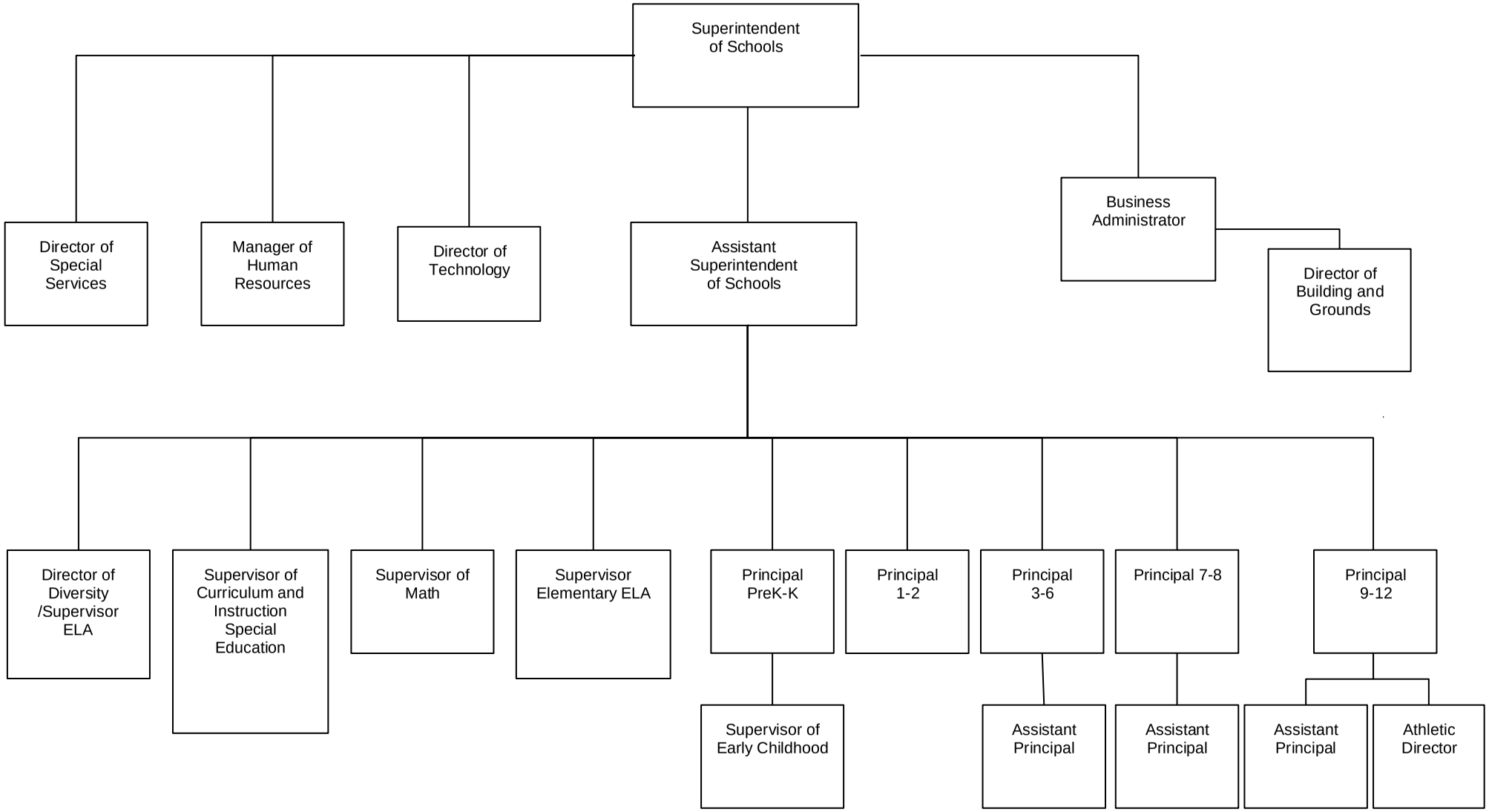
We would like to express our appreciation to the members of the Bound Brook Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. 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. Alvin L. Freeman
Superintendent of Schools

Kristine Lee, CPA
Business Administrator/Board Secretary

BOUND BROOK BOARD OF EDUCATION
Organizational Chart
Fiscal Year Ended June 30, 2025



Bound Brook Board of Education

Bound Brook, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2025

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Richard Januzzi, President	2025
Michael Bal, Vice President	2026
Donald Vollmer	2026
Sidney Dawson	2025
Lisa Guzzino	2027
Gagandeep Minhas	2025
Joanna Musson	2025
Therese Sue High	2027
Roger Zupko	2026
Nicholas Incarcaterra South Bound Brook Representative	2025

OTHER OFFICIALS

Dr. Alvin L. Freeman, Superintendent

Michael C. Gorski CPA, Business Administrator/Board Secretary (Through 6/30/2025)

Kristine Lee CPA, Business Administrator/Board Secretary (From 7/1/2025)

Thomas A. Venanzi, Treasurer

Borough of Bound Brook School District
Consultants and Advisors

Architects

DI Group Architecture
15 Bethany Street
New Brunswick, NJ 08901

Audit Firm

Nisivoccia LLP, CPAs
200 Valley Road, Suite 300
Mount Arlington, NJ 07856
And
11 Lawrence Road
Newton, NJ 07860
And
1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

Apruzzese, McDermott, Mastro & Murphy,
P.C. 25 Independence Boulevard
Warren, NJ 07059

Official Depository

TD Bank, NA
452 Union Avenue
Bridgewater, NJ 08807

FINANCIAL SECTION

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

973.298.8500
nisivoccia.com

Independent Member
BKR International

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Borough of Bound Brook School District
County of Somerset, New Jersey

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Nisivoccia LLP

November 20, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP

Valerie A Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

This section of Borough of Bound Brook School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of K-12 School District's Financial Report

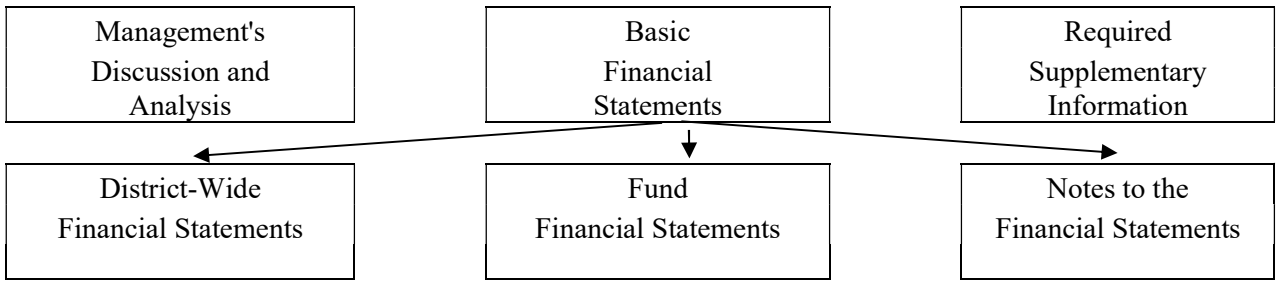


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements: The notes provide basic information that is essential to a full understanding of the data provided in the District-wide and Fund financial statements. The notes to the basic financial statements can be found immediately following the Fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position at June 30, 2025 increased by $9,065,359 from the previous year. The net position from governmental activities increased by $9,113,846 and the net position from business-type activities decreased by $48,487. The net investment in capital assets increased by $7,831,664. Restricted net position increased by $5,462,217. Unrestricted net position decreased by $4,228,522.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
Current and Other Assets	$ 18,510,849	$ 14,251,268	$ 805,705	$ 866,158	$ 19,316,554	$ 15,117,426	
Capital Assets, Net	56,693,372	50,743,612	434,676	425,369	57,128,048	51,168,981	
Lease Assets, Net	969,300				969,300		
Total Assets	76,173,521	64,994,880	1,240,381	1,291,527	77,413,902	66,286,407	16.79%
Deferred Outflows of Resources	1,479,551	1,686,765			1,479,551	1,686,765	-12.28%
Other Liabilities	5,909,928	2,786,467	155,888	158,547	6,065,816	2,945,014	
Long-Term Liabilities	24,896,784	25,998,555			24,896,784	25,998,555	
Total Liabilities	30,806,712	28,785,022	155,888	158,547	30,962,600	28,943,569	6.98%
Deferred Inflows of Resources	294,236	458,345			294,236	458,345	-35.80%
Net Position:							
Net Investment in Capital Assets	38,275,856	30,453,499	434,676	425,369	38,710,532	30,878,868	
Restricted	18,070,419	12,608,202			18,070,419	12,608,202	
Unrestricted / (Deficit)	(9,794,151)	(5,623,423)	649,817	707,611	(9,144,334)	(4,915,812)	
Total Net Position	$ 46,552,124	$ 37,438,278	$ 1,084,493	$ 1,132,980	$ 47,636,617	$ 38,571,258	23.50%

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
Revenue:							
Program Revenue:							
Charges for Services	$ 3,078,905	$ 2,505,111	$ 258,777	$ 389,223	$ 3,337,682	$ 2,894,334	
Operating Grants & Contributions	9,551,194	11,141,129	1,780,679	1,789,445	11,331,873	12,930,574	
General Revenue:							
Property Taxes	14,742,636	14,442,785			14,742,636	14,442,785	
Unrestricted Federal & State Aid	34,125,771	28,953,760			34,125,771	28,953,760	
Other	765,012	628,178	12,369	15,794	777,381	643,972	
Total Revenue	62,263,518	57,670,963	2,051,825	2,194,462	64,315,343	59,865,425	7.43%
Expenses:							
Instruction	29,357,424	27,847,386			29,357,424	27,847,386	
Pupil & Instruction Services	11,561,006	9,134,253			11,561,006	9,134,253	
Administrative & Business	5,061,735	4,948,699			5,061,735	4,948,699	
Maintenance & Operations	4,753,487	4,447,595			4,753,487	4,447,595	
Transportation	1,468,044	1,331,488			1,468,044	1,331,488	
Other	1,097,856	1,081,642	2,076,996	2,016,479	3,174,852	3,098,121	
Total Expenses	53,299,552	48,791,063	2,076,996	2,016,479	55,376,548	50,807,542	8.99%
Other Items	137,511		(10,947)		126,564		100%
Transfers	12,369	15,794	(12,369)	(15,794)			
Change in Net Position	$ 9,113,846	$ 8,895,694	$ (48,487)	$ 162,189	$ 9,065,359	$ 9,057,883	0.08%

Governmental Activities

The financial position of the District increased significantly from the prior year. However, the District is below adequacy, which causes a severe strain on maintaining the budget. Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented or continued during the year were:

- Participation in an insurance pool operated by New Jersey Schools Insurance Group resulting in low cost property, liability and workers compensation insurance.
- Participation in a group health plan with Horizon – which resulted in significant savings as compared to the State Health Benefits Program.
- Participation in Joint Transportation Agreements.
- Participation in joint purchasing agreements.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.

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

Figure A-5
Net Cost of Governmental Activities

	Total Costs of Services		Net Cost of Services	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	$ 29,357,424	$ 27,847,386	$ 18,270,411	$ 16,034,354
Pupil and Instruction Services	11,561,006	9,134,253	10,675,776	8,091,065
Administrative and Business	5,061,735	4,948,699	4,579,117	4,303,554
Maintenance and Operations	4,753,487	4,447,595	4,753,487	4,447,595
Transportation	1,468,044	1,331,488	1,292,806	1,186,613
Other	1,097,856	1,081,642	1,097,856	1,081,642
	$ 53,299,552	$ 48,791,063	$ 40,669,453	$ 35,144,823

Business-Type Activities

Net position from the District's business-type activity decreased by $48,487 (Refer to Figure A-4) due to expenses exceeding revenues related to Food Service.

Financial Analysis of the District's Funds

State aid remains the primary revenue source, constituting approximately 61% of the district's budget. The district has historically benefited from federal support, particularly for special education and ESL programs. Local taxes contribute about 24% to the budget, with efforts made to keep tax increases minimal.

For the 2024–2025 school year, Bound Brook received $36,985,869 in General and Special Revenue Fund State Aid, marking a 15% increase from the previous year, significantly increased by 42% from the previous year in the category of special education Aid. The district used this increase to budget below the maxim

General Fund Budgetary Highlights

Over the course of the year, the district revised the annual operating budget several times. These budget amendments are follows:

- Budget fund transfers were made for emergent needs to repair mason repair in high school gym for health and safety concern, and to cover a shortfall in funding the board approved alternate bid for boiler replacement projects which was approved by the County.
- Changes in budgetary line accounts to more accurately reflect current district needs. Among these needs, there's increase in salary for paraprofessionals, teachers, administrators and new hires.
- Changes were made within budgetary line items for the professional development programs for Bilingual/ multilingual instructional staff, DataCenter conversion from VMWare to Hyper-V, and additional repairs and maintenance in all school buildings and Parking lots.

Capital Assets

At year-end, the District had $57,128,048 in capital assets as shown in Figure A-6. Overall Capital Assets had a net increase of $5,959,067 or 11.65% over the prior year. The District had $6,587,713 of additions offset by $592,814 of depreciation expense and $35,832 of deletions. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	Change
Construction in Progress	$ 5,324,895	$ 5,362,882			$ 5,324,895	$ 5,362,882	
Buildings and Building Improvements	49,263,351	43,763,381			49,263,351	43,763,381	
Machinery and Equipment	2,105,126	1,617,349	$ 434,676	$ 425,369	2,539,802	2,042,718	
Total Capital Assets (Net of Depreciation)	$ 56,693,372	$ 50,743,612	$ 434,676	$ 425,369	$ 57,128,048	$ 51,168,981	11.65%

Long-term Liabilities

At year-end, the District had $18,620,000 in general obligation bonds and $766,816 in leases outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage
	2024/2025	2023/2024	Change
General Obligation Bonds (Financed with Property Taxes)	$ 18,620,000	$ 19,640,000	
Financed Purchases Payable		650,113	
Leases Payable	766,816		
Net Pension Liability	4,870,872	4,970,277	
Compensated Absences	639,096	738,165	
	$ 24,896,784	$ 25,998,555	-4.24%

- The District retired $1,020,000 of serial bonds payable.
- The compensated absence payable decreased $99,069.
- The net pension liability decreased $99,405.
- The District retired $650,113 of the financed purchases in the current year.
- The District issued $1,125,640 of leases payable and retired $358,824 of the leases in the current year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- There are two primary revenue sources available to school districts; state aid and local taxes. The state aid revenue increased in fiscal year 2025 from the previous year under the implementation of S-2, however, it concluded in the 2024-2025 school year.
- The school district's enrollment has steadily increased over the years, and a large percentage of students are low-income, bilingual, or multilingual, which has placed an additional burden on the budget as it competes with other priorities for fixed revenue.
- With the increase in preschool enrollment, the addition of modular classrooms will provide essential capacity to accommodate the growing student population. However, the district expects a significant reduction in Preschool Education Aid (PEA) grant funding for the fiscal year 2025–2026 under the new funding formular adjustment. This reduction is projected to have a considerable impact on the district's ability to fully fund preschool programs and associated staff expenditures, presenting challenges in maintaining current service levels and staffing.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kristine Lee, CPA Business Administrator/Board Secretary at the Board of Education Office at 130 West Maple Avenue, Bound Brook, NJ 08805.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 9,255,338	$ 646,371	$ 9,901,709
Receivable from Federal Government	20,354	5,182	25,536
Receivable from State Government	1,511,717	89,388	1,601,105
Other Accounts Receivable	4,368	120,218	124,586
Internal Balances	83,766	(83,766)	
Inventories		28,312	28,312
Restricted Assets:			
Cash and Cash Equivalents	7,635,306		7,635,306
Capital Assets:			
Construction in Progress	5,324,895		5,324,895
Depreciable Buildings and Building Improvements and Machinery and Equipment	51,368,477	434,676	51,803,153
Lease Assets, Net	969,300		969,300
Total Assets	76,173,521	1,240,381	77,413,902
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,479,551		1,479,551
Total Deferred Outflows of Resources	1,479,551		1,479,551
LIABILITIES			
Accounts Payable	4,067,282	145,468	4,212,750
Payable to Federal Government	18,003		18,003
Accrued Interest Payable	301,208		301,208
Unearned Revenue	1,523,435	10,420	1,533,855
Noncurrent Liabilities:			
Due Within One Year	1,409,627		1,409,627
Due Beyond One Year	23,487,157		23,487,157
Total Liabilities	30,806,712	155,888	30,962,600
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	294,236		294,236
Total Deferred Inflows of Resources	294,236		294,236

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	$ 38,275,856	$ 434,676	$ 38,710,532
Restricted for:			
Capital Projects	5,728,264		5,728,264
Debt Service	30,603		30,603
Maintenance	1,043,837		1,043,837
Emergency	274,585		274,585
Excess Surplus	10,404,510		10,404,510
Unemployment Compensation	494,404		494,404
Scholarships	123		123
Student Activities	94,093		94,093
Unrestricted/(Deficit)	(9,794,151)	649,817	(9,144,334)
Total Net Position	$ 46,552,124	$ 1,084,493	$ 47,636,617

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 19,394,247	$ 2,881,648	$ 4,565,655	$ (11,946,944)		$ (11,946,944)
Special Education	4,572,568		3,062,381	(1,510,187)		(1,510,187)
Other Instruction	4,097,280		467,999	(3,629,281)		(3,629,281)
School-Sponsored Instruction	1,293,329		109,330	(1,183,999)		(1,183,999)
Support Services:						
Tuition	3,084,444			(3,084,444)		(3,084,444)
Student & Instruction Related Services	8,476,562	174,357	710,873	(7,591,332)		(7,591,332)
General Administrative Services	1,038,843		56,601	(982,242)		(982,242)
School Administrative Services	2,666,334		307,232	(2,359,102)		(2,359,102)
Central Services and Administrative Information Technology	1,356,558		118,785	(1,237,773)		(1,237,773)
Plant Operations and Maintenance	4,753,487			(4,753,487)		(4,753,487)
Pupil Transportation	1,468,044	22,900	152,338	(1,292,806)		(1,292,806)
Interest on Long-Term Liabilities	629,838			(629,838)		(629,838)
Capital Outlay	9,836			(9,836)		(9,836)
Transfer to Charter School	458,182			(458,182)		(458,182)
Total Governmental Activities	53,299,552	3,078,905	9,551,194	(40,669,453)		(40,669,453)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Business-Type Activities:						
Food Service	$ 2,076,996	$ 258,777	$ 1,780,679		$ (37,540)	$ (37,540)
Total Business-Type Activities	2,076,996	258,777	1,780,679		(37,540)	(37,540)
Total Primary Government	$ 55,376,548	$ 3,337,682	$ 11,331,873	$ (40,669,453)	$ (37,540)	$ (40,706,993)
General Revenue, Transfers and Other Items:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				$ 13,965,571		$ 13,965,571
Taxes Levied for Debt Service				777,065		777,065
Federal and State Aid not Restricted				34,125,771		34,125,771
Miscellaneous Income				765,012	$ 12,369	777,381
Transfers				12,369	(12,369)	
Other Items				137,511	(10,947)	126,564
Total General Revenue, Transfers and Other Items				49,783,299	(10,947)	49,772,352
Change in Net Position				9,113,846	(48,487)	9,065,359
Net Position - Beginning				37,438,278	1,132,980	38,571,258
Net Position - Ending				$ 46,552,124	$ 1,084,493	$ 47,636,617

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

FUND FINANCIAL STATEMENTS

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	$ 7,882,803	$ 1,372,534		$ 1	$ 9,255,338
Receivables From Federal Government		20,354			20,354
Receivables From State Government	436,796		$ 1,074,921		1,511,717
Other Receivables	4,368				4,368
Interfund Receivable	1,109,998			30,602	1,140,600
Restricted Cash and Cash Equivalents	7,541,090	94,216			7,635,306
Total Assets	$ 16,975,055	$ 1,487,104	$ 1,074,921	$ 30,603	$ 19,567,683
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 1,473,175	$ 56,212	$ 2,013,041		$ 3,542,428
Payable to Federal Government		18,003			18,003
Interfund Payable			1,056,834		1,056,834
Unearned Revenue		1,523,435			1,523,435
Total Liabilities	1,473,175	1,597,650	3,069,875		6,140,700
Fund Balances:					
Restricted:					
Capital Reserve Account	5,728,264				5,728,264
Maintenance Reserve	1,043,837				1,043,837
Emergency Reserve Account	274,585				274,585
Unemployment Compensation	494,404				494,404
Excess Surplus - 2026-2027	7,544,568				7,544,568
Excess Surplus - 2025-2026	2,859,942				2,859,942
Scholarships		123			123
Student Activities		94,093			94,093
Debt Service				$ 30,603	30,603
Unassigned/(Deficit)	(2,443,720)	(204,762)	(1,994,954)		(4,643,436)
Total Fund Balances/(Deficit)	15,501,880	(110,546)	(1,994,954)	30,603	13,426,983
Total Liabilities and Fund Balances	$ 16,975,055	$ 1,487,104	$ 1,074,921	$ 30,603	$ 19,567,683

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:	
Total Fund Balances from Above	$ 13,426,983
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	56,693,372
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(301,208)
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	969,300
Long-Term Liabilities, Including Bonds Payable, Financed Purchases Payable, Leases Payable and Compensated Absences, Are Not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds	(20,025,912)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(4,870,872)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	954,697
Deferred Inflows	(294,236)
Net Position of Governmental Activities	$ 46,552,124

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	$ 13,965,571			$ 777,065	$ 14,742,636
Tuition From Other LEAs Within the State	2,881,648				2,881,648
Interest Earned on Current Expense Emergency Reserve	7,165				7,165
Interest Earned on Maintenance Reserve	27,240				27,240
Interest Earned on Capital Reserve Funds	149,482				149,482
Transportation Fees From Other LEAs	22,900				22,900
Restricted Miscellaneous Revenue	89,445	$ 174,357			263,802
Unrestricted Miscellaneous Revenues	461,088	4,537	$ 30,592		496,217
Total - Local Sources	17,604,539	178,894	30,592	777,065	18,591,090
State Sources	44,290,568	1,484,255	1,074,921	886,788	47,736,532
Federal Sources	37,658	1,126,978			1,164,636
Total Revenues	61,932,765	2,790,127	1,105,513	1,663,853	67,492,258
EXPENDITURES:					
Current:					
Regular Instruction	11,726,146	2,774,555			14,500,701
Special Education Instruction	3,210,053	6,014			3,216,067
Other Instruction	2,767,733				2,767,733
School-Sponsored	983,286				983,286
Support Services and Undistributed Costs:					
Tuition	3,084,444				3,084,444
Student and Other Instruction Related Services	5,759,752	185,190			5,944,942
General Administration Services	876,729				876,729
School Administration Services	1,786,225				1,786,225
Central Services & Administrative Information Technology	1,008,121				1,008,121
Plant Operations and Maintenance	3,846,730				3,846,730
Student Transportation	1,293,497				1,293,497
Unallocated Benefits	17,615,765				17,615,765

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Debt Service:					
Interest and Other Charges				$ 643,863	$ 643,863
Principal				1,020,000	1,020,000
Capital Outlay	$ 3,992,375	$ 9,121	$ 4,597,053		8,598,549
Transfer of Funds to Charter School	458,182				458,182
Total Expenditures	58,409,038	2,974,880	4,597,053	1,663,863	67,644,834
Excess/(Deficit) of Revenue Over/(Under) Expenditures	3,523,727	(184,753)	(3,491,540)	(10)	(152,576)
OTHER FINANCING SOURCES/(USES):					
Leases (Non-Budgeted)	1,125,640				1,125,640
Transfers In/(Out)	(116,815)	129,184	(30,592)	30,592	12,369
Cancellation of Prior Year Accounts Payable	137,511				137,511
Total Other Financing Sources/(Uses)	1,146,336	129,184	(30,592)	30,592	1,275,520
Net Change in Fund Balances	4,670,063	(55,569)	(3,522,132)	30,582	1,122,944
Fund Balance / (Deficit) - July 1	10,831,817	(54,977)	1,527,178	21	12,304,039
Fund Balance / (Deficit) - June 30	$ 15,501,880	$ (110,546)	$ (1,994,954)	$ 30,603	$ 13,426,983

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
RECONCILIATION OF THE 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 (Exhibit B-2)			$ 1,122,944
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation and capital asset deletions.			
	Depreciation Expense	$ (547,150)	
	Capital Asset Disposals with Carrying Value	(24,885)	
	Capital Asset Additions	6,521,795	
			5,949,760
In the statement of activities, certain operating expenses, e.g., compensated absences 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 (+).			99,069
Capital outlays related to lease assets are reported in Governmental Funds as expenditures. However, in the Statement of Activities the cost of those assets are allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.			
	Amortization Expense	(156,340)	
	Lease Asset Additions	1,125,640	
			969,300
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.			1,020,000

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
RECONCILIATION OF THE 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

Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities	$ (1,125,640)
Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	358,824
Repayment of financed purchases principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	650,113
In the Statement of Activities, interest on long term liabilities in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).	8,030
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Changes in Net Pension Liability	99,405
Change in Deferred Outflows	(202,068)
Change in Deferred Inflows	164,109
Change in Net Position of Governmental Activities (Exhibit A-2)	$ 9,113,846

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities Enterprise Funds
	Major Fund
	Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 646,371
Intergovernmental Accounts Receivable:	
Federal	89,388
State	5,182
Student Accounts Receivable	120,218
Inventories	28,312
Total Current Assets	889,471
Non-Current Assets:	
Capital Assets	711,644
Less: Accumulated Depreciation	(276,968)
Total Non-Current Assets	434,676
Total Assets	1,324,147
LIABILITIES:	
Current Liabilities:	
Accounts Payable	145,468
Interfund Accounts Payable - General Fund	83,766
Unearned Revenue - Prepaid Sales	6,037
Unearned Revenue - Donated Commodities	4,383
Total Current Liabilities	239,654
NET POSITION:	
Investment in Capital Assets	434,676
Unrestricted	649,817
Total Net Position	$ 1,084,493

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Major Fund
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Meals	$ 178,601
Daily Sales - Non-Reimbursable Meals	17,742
Other Income	62,434
Total Operating Revenue	258,777
Operating Expenses:	
Cost of Sales - Reimbursable Programs	828,694
Cost of Sales - Non-Reimbursable Programs	82,320
Salaries, Benefits & Payroll Taxes	789,769
Supplies, Insurance & Other Costs	242,543
Management Fee	72,094
Miscellaneous	15,912
Depreciation Expense	45,664
Total Operating Expenses	2,076,996
Operating Loss	(1,818,219)
Non-Operating Revenue:	
Local Sources:	
Interest Income	12,369
State Sources:	
State School Lunch Program	22,930
State School Breakfast Program	5,957
State School Breakfast Program - After the Bell	26,831
Summer Food Service Program	915
New Jersey Expanded Income Eligibility - Breakfast	11,243
New Jersey Expanded Income Eligibility - Lunch	15,671
Federal Sources:	
National School Lunch Program	904,974
School Breakfast Program	600,642
After School Snack Program	12,300
Summer Food Service Program	39,757
Summer - EBT	3,112
Local Food for Schools Cooperative	16,303
Food Distribution Program	120,044
Total Non-Operating Revenue	1,793,048

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Major Fund
	Food Service
Change in Net Position Before Other Item and Transfer	$ (25,171)
Other Item and Transfer:	
Transfer Out - General Fund	(12,369)
Disposal of Capital Assets Net of Depreciation	(10,947)
Total Other Item and Transfer	(23,316)
Change in Net Position After Other Items	(48,487)
Net Position - Beginning of Year	1,132,980
Net Position - End of Year	$ 1,084,493

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Major Fund
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 248,087
Payments to Food Service Contractor	(1,728,716)
Payments to Salaries - District Employees	(45,351)
Payments to Suppliers	(135,270)
Net Cash Used for Operating Activities	(1,661,250)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	12,369
Net Cash Provided by Investing Activities	12,369
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(65,918)
Net Cash Used for Capital and Related Financing Activities	(65,918)
Cash Flows from Noncapital Financing Activities:	
State Sources	91,771
Federal Sources	1,758,777
Net Cash Provided by Noncapital Financing Activities	1,850,548
Net Increase in Cash and Cash Equivalents	135,749
Cash and Cash Equivalents, July 1	510,622
Cash and Cash Equivalents, June 30	$ 646,371

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Funds
	Major Fund
	Food Service
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	$ (1,818,219)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	45,664
Food Distribution Program	120,044
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable - Students	(10,976)
(Increase)/Decrease in Inventory	4,896
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(2,528)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	286
Increase/(Decrease) in Accounts Payable	(417)
Net Cash Used for Operating Activities	$ (1,661,250)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received $117,516 and utilized $120,044 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2025.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

B. Basis of Presentation: (Cont'd)

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 62,395,596	$ 2,834,863
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	3,027,192	160,026
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(3,490,023)	(204,762)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 61,932,765	$ 2,790,127

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 58,409,038	$ 2,974,880
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 58,409,038	$ 2,974,880

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA ROD grants. These grants are recognized on the budgetary basis in full when they are awarded by recognized on a GAAP basis only to the extend to expenditures which have been submitted for reimbursement.

Capital Projects Fund:

	Fund Balance
Recapitulation:	
Fund Balance (Budgetary Basis)	
Schedule of Revenues, Expenditures and Changes in Fund Balance	$ -0-
Reconciliation to Governmental Funds Statements (GAAP):	
SDA ROD Grant Receivable not Recognized on a GAAP Basis	(1,994,954)
Fund Balance/(Deficit) per Governmental Funds (GAAP)	$ (1,994,954)

E. Cash and Cash Equivalents:

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

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

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

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is $2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings	20 to 50 years
Building Improvements	10 to 20 years
Machinery and Equipment	10 to 15 years

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

L. Lease Assets

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

M. Subscription Assets

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

N. Long Term Liabilities:

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

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

O. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year. The District no longer holds these funds on hand. They have been transferred to a credit union account, where each employee is able to withdraw their accrued salaries over the summer.

P. Compensated Absences:

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

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

Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

Q. Lease Payable

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

R. Subscription Payable

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

S. Unearned Revenue:

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

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

T. Fund Balance Appropriated:

General Fund: Of the $15,501,880 General Fund balance at June 30, 2025, $5,728,264 is restricted in a capital reserve account; $1,043,837 is restricted in a maintenance reserve account; $274,585 is restricted in an emergency reserve account; $494,404 is restricted in an unemployment compensation account; $7,544,568 is restricted for current year excess surplus in accordance with N.J.S.A.18A:7F (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2027; $2,859,942 is restricted as prior year excess and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; $-0- is assigned as designated for subsequent year's expenditures (which is $29,004 less than assigned fund balance, on a budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2026). Additionally, there is a deficit balance of $2,443,720 in unassigned fund balance (which is $3,461,019 less than unassigned fund balance, on a Budgetary basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2026).

Special Revenue Fund: Of the $110,546 Special Revenue deficit fund balance at June 30, 2025, $123 is restricted for scholarships; $94,093 is restricted for student activities; and there is a deficit in unassigned fund balance of $204,762 at June 30, 2025 on a GAAP basis due to the June state aid payments that are not recognized until the fiscal year ending June 30, 2026.

Capital Projects Fund: The $1,994,954 deficit fund balance in the Capital Projects Fund at June 30, 2025 is unassigned on a GAAP basis due to the NJ SDA ROD grants which are not recognized on a GAAP basis until they are expended and submitted for reimbursement.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2025 is $30,603 and is restricted for subsequent year's expenditures.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as noted above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by $3,490,023 in assigned and unassigned fund balance, as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the 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 June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

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

U. Deficit Fund Balances / Net Position

The District has a deficit in unassigned fund balance of $2,443,720 in the General Fund and $204,762 in the Special Revenue Fund as of June 30, 2025 as a result of the last two state aid payments that are not recognized on a GAAP basis. The District also has a deficit in unassigned Capital Projects Fund fund balance of $1,994,954 due to the NJ SDA ROD grants which are not recognized on a GAAP basis until they are expended and submitted for reimbursement. The District has a deficit in unrestricted net position of $9,794,151 in governmental activities, which is primarily due to compensated absences payable and net pension liability combined with the deficits in unassigned fund balances in the General Fund, Special Revenue Fund and Capital Projects Funds.

These deficits do not indicate that the District is in financial difficulties and are a permitted practice under generally accepted accounting principles.

V. Net Position

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

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

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

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

W. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, an emergency reserve, unemployment compensation, excess surplus, debt service, student activities, and scholarships.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District does not have committed resources at June 30, 2025.

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

X. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and summer enrichment. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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

Deposits:

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

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

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

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

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

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

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

Investments: (Cont'd)

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

	Cash and Cash Equivalents		Unrestricted	
	Restricted	Unrestricted	Investments	Total
Checking Accounts	$ 7,635,306	$ 5,492,477	$ 4,409,232	$ 17,537,015

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $17,537,015 and the bank balance was $20,952,449. The District has an investment in a certificate of Deposit of $4,409,232.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of $1 was established by Board resolution on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2024	$ 5,578,782
Interest Earnings	149,482
Ending Balance, June 30, 2025	$ 5,728,264

The balance in the capital reserve account at June 30, 2025 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of $175,000 was established by the Borough of Bound Brook School District during the fiscal year ended June 30, 2008. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

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

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2024	$ 1,016,597
Interest Earnings	27,240
Ending Balance, June 30, 2025	$ 1,043,837

NOTE 6. EMERGENCY RESERVE ACCOUNT

An emergency reserve was established by Board resolution on June 11, 2018. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of $250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 20th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or a withdrawal that was included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

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

Beginning Balance, July 1, 2024	$ 267,420
Interest Earnings	7,165
Ending Balance, June 30, 2025	$ 274,585

NOTE 7. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Construction in Progress	$ 5,362,882	$ 4,597,053	$ (4,635,040)	$ 5,324,895
Total Capital Assets Not Being Depreciated	5,362,882	4,597,053	(4,635,040)	5,324,895
Capital Assets Being Depreciated:				
Buildings and Building Improvements	53,587,936	1,143,556	4,606,580	59,338,072
Machinery and Equipment	3,274,037	781,186	(318,537)	3,736,686
Total Capital Assets Being Depreciated	56,861,973	1,924,742	4,288,043	63,074,758
Governmental Activities Capital Assets	62,224,855	6,521,795	(346,997)	68,399,653
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,824,555)	(264,949)	14,783	(10,074,721)
Machinery and Equipment	(1,656,688)	(282,201)	307,329	(1,631,560)
	(11,481,243)	(547,150)	322,112	(11,706,281)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 50,743,612	$ 5,974,645	$ (24,885)	$ 56,693,372
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 691,361	$ 65,918	$ (45,635)	$ 711,644
Less Accumulated Depreciation	(265,992)	(45,664)	34,688	(276,968)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 425,369	$ 20,254	$ (10,947)	$ 434,676

The District expended $4,597,053 towards active construction projects.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 67,633
Special Education	6,083
Other Instruction	8,172
Student and Instruction Related Services	44,957
General Administration	32,563
School Administration	10,812
Operations and Maintenance of Plant	340,702
Pupil Transportation	36,228
	$ 547,150

NOTE 8. LEASE ASSETS

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

	Beginning Balance	Increases	Ending Balance
Governmental Activities:			
Lease Assets Being Amortized:			
Machinery and Equipment		$ 1,125,640	$ 1,125,640
Total Lease Assets Being Amortized		1,125,640	1,125,640
Governmental Activities Lease Assets		1,125,640	1,125,640
Less Accumulated Amortization for:			
Machinery and Equipment		(156,340)	(156,340)
		(156,340)	(156,340)
Governmental Activities Lease Assets, Net of Accumulated Amortization	$ -0-	$ 969,300	$ 969,300

Amortization expense was charged to the governmental functions as follows:

Regular Instruction	$ 156,340
	$ 156,340

NOTE 9. LONG-TERM LIABILITIES

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

	Beginning Balance	Accrued	Retired	Ending Balance	Due within 1 Year
Serial Bonds Payable	$ 19,640,000		$ 1,020,000	$ 18,620,000	$ 1,020,000
Financed Purchases Payable	650,113		650,113		
Leases Payable		$ 1,125,640	358,824	766,816	374,971
Net Pension Liability	4,970,277		99,405	4,870,872	
Compensated Absences Payable	738,165		99,069	639,096	14,656
	$ 25,998,555	$ 1,125,640	$ 2,227,411	$ 24,896,784	$ 1,409,627

A. Bonds Payable

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

NOTE 9. LONG-TERM LIABILITIES

A. Bonds Payable (Cont'd)

On December 23, 2014, the District issued debt in the amount of $27,140,000 with interest rates ranging from 2.00% to 3.75% with consent of the taxpayers through a referendum to repair the infrastructure of its buildings and acquire two additional school buildings to fulfill enrollment and curriculum demands. The bonds mature on January 15, 2016 through 2040.

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

Purpose	Final Maturity Dates	Interest Rates	Principal Amount
School Bonds	1/15/2040	3.00% - 3.750%	$ 18,620,000

Principal and interest due on Serial Bonds outstanding are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,020,000	$ 613,262	$ 1,633,262
2027	1,060,000	582,662	1,642,662
2028	1,060,000	550,862	1,610,862
2029	1,090,000	519,062	1,609,062
2030	1,100,000	486,362	1,586,362
2031-2035	6,270,000	1,884,465	8,154,465
2036-2040	7,020,000	763,366	7,783,366
	$ 18,620,000	$ 5,400,041	$ 24,020,041

The Debt Service Fund will be used to liquidate the Serial Bonds.

B. Bonds Authorized But Not Issued:

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

C. Financed Purchases Payable:

The District's financed purchase related to financing of construction of improvements for the addition of Smalley School. The financed purchase totaled $7,000,000 of which $7,000,000 has been liquidated as of June 30, 2025.

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

D. Leases Payable

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

Leases Payable

Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Chromebooks	Annual	01/30/27	4.50%	$ 766,816
				$ 766,816

Principal and interest on leases outstanding will be liquidated through the General Fund and are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	$ 374,971	$ 34,507
2027	391,845	17,633
	$ 766,816	$ 52,140

E. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the liability is $14,656 and the long-term portion of compensated absences is $624,440.

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 Enterprise Funds.

F. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is $0 and the long-term portion is $4,870,872. See Note 11 for further information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025, the District transferred to the capital outlay accounts $188,800 for equipment which did not require approval of the County Superintendent and $631,200 for architectural/engineering and construction services for which the required County Superintendent approval was obtained.

NOTE 11. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Contributions

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

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

District contributions to PERS amounted to $487,943 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $15,704 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

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

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

At June 30, 2025, the District reported a liability of $4,870,872 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0358% for PERS, which was an increase of .0058% as of June 30, 2023.

NOTE 11. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of $426,328 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of $15,704 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		$ (35,397)
	2021	5.13	$ 6,051	
	2022	5.04		(20,022)
			6,051	(55,419)
Changes in Proportion	2020	5.16	17,742	
	2021	5.13	138,807	
	2022	5.04	76,452	
	2023	5.08	431,229	
	2024	5.08	186,843	
			851,073	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		(334,355)
	2022	5.00		530,401
	2023	5.00		(137,542)
	2024	5.00		(284,353)
				(225,849)
Difference Between Expected and Actual Experience	2020	5.16	1,973	
	2021	5.13		(4,813)
	2022	5.04		(8,155)
	2023	5.08	25,055	
	2024	5.08	70,545	
			97,573	(12,968)
District Contribution Subsequent to the Measurement Date	2024	1.00	524,854	
			$ 1,479,551	$ (294,236)

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	$ (189,063)
2026	298,827
2027	(15,611)
2028	378,082
2029	188,226
	$ 660,461

Actuarial Assumptions

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

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

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

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

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

Asset Class	Allocation	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 Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

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

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	$ 6,472,192	$ 4,870,872	$ 3,508,158

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed $6,100,341 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of ($244,342).

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

NOTE 11. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported a liability of $66,982,476 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.1355%, which was an increase of 0.0019% as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	66,982,476
Total	$ 66,982,476

For the fiscal year ended June 30, 2024, the State recognized pension benfit on behalf of the District in the amount of $244,342 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			671,623,600	9,874,858,005

NOTE 11. PENSION PLANS (Cont'd)

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

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

Difference Between Expected and	2017	8.30	$ 8,543,764	
Actual Experience	2018	8.29	186,086,527	
	2019	8.04		$ 39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			436,488,877	266,879,466
Net Difference Between Projected	2021	5.00		888,658,452
and Actual Investment Earnings on	2022	5.00		(1,659,667,329)
Pension Plan Investments	2023	5.00		357,972,332
	2024	5.00		816,400,864
				403,364,319
			$ 1,108,112,477	$ 10,545,101,790

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

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

NOTE 11. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

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

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

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

NOTE 11. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	$ 79,618,155	$ 66,982,476	$ 56,340,846

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of $1,575 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to $1,735 for the year ended June 30, 2025.

NOTE 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. Health benefits are obtained from Horizon Blue Cross / Blue Shield of New Jersey.

Property and Liability Insurance

The Borough of Bound Brook School District is a member of the New Jersey Schools Insurance Group (NJSIG) (the "Group"). This public entity risk management pool provides liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

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

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	$ 452,862,436
Total Net Position	$ 208,313,945
Total Revenue	$ 187,698,949
Total Expenses	$ 178,093,729
Change in Net Position	$ 7,005,220
Member Dividends	$ 2,600,000

Financial statements for the Fund are available at the Fund's Executive Director's Office:

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

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

The following is a summary of employee contributions and interest earned, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

Fiscal Year	Employee Contributions and Interest	Amount Reimbursed	Ending Balance
2024-2025	$ 132,747	$ 43,302	$ 494,404
2023-2024	68,079	-0-	404,959
2022-2023	42,822	-0-	336,880

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following approved service providers created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by The Omni Group, Inc., permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, or death. There is however, a loan option for qualified applicants in which participants can access funds prior to termination, retirement or death. Also, a Roth 403(b) plan feature has been added for the providers noted with an asterisk (*). The approved service providers are as follows:

Valic	Lincoln Investment Planning *
Fidelity Management Trust Co*	Lincoln National
Fiduciary Trust International	Primerica Financial Services
Franklin Templeton Bank & Trust	Siracusa Benefits Plan
FTJ Fundchoice, Inc.	AXA Equitable Life Insurance Company*
	ADMM/GWN*

GWN/Employee Deposit Account and FTJ Fundchoice, Inc. are the approved service providers for the District's Internal Revenue Code Section 457 plan, which is administered by the Omni Group, Inc.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in claims and lawsuits arising from operations. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2025, there were no encumbrances in the governmental funds.

NOTE 16. TAX CALENDAR

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

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

NOTE 17. INTERFUND RECEIVABLES AND PAYABLES AND PAYABLES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 1,109,998	
Capital Projects Fund		$ 1,056,834
Debt Service Fund	30,602	
Proprietary Funds - Food Service		83,766
	$ 1,140,600	$ 1,140,600

The interfund between the General Fund and the Capital Projects Fund is due to Capital Projects Fund expenditures being disbursed out of the General Fund and not liquidated by year end. The interfund between the Capital Projects Fund and the Debt Service Fund is for interest earnings in the Capital Projects Fund. The interfund between the Food Service Fund and the General Fund is for federal and state reimbursements and interest earnings not turned over by year end.

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental Activities as of June 30, 2025 consisted of the following:

	Governmental Funds				District Contribution Subsequent to Measurement Date		Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds		Total Governmental Activities	Proprietary Funds
Vendors	$ 1,393,620	$ 56,212	$ 2,013,041	$ 3,462,873		$ 3,462,873	$ 145,468
Payroll Deductions and Withholdings	79,555			79,555		79,555	
Due to:							
State of New Jersey					$ 524,854	524,854	
	$ 1,473,175	$ 56,212	$ 2,013,041	$ 3,542,428	$ 524,854	$ 4,067,282	$ 145,468

NOTE 19. TAX ABATEMENTS

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

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

The Borough of Bound Brook recognized revenue in the amount of $1,574,618 from payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2025 without the abatement would have been $3,722,941 of which $1,896,747 would have been for the district school tax.

NOTE 20. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

Employees Covered by Benefit Terms

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

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

NOTE 20. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

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

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

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

Mortality Rates

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

Health Care Trend Assumptions

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

NOTE 20. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Discount Rate

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

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2023	$ 46,868,828
Changes for Year:	
Service Cost	2,769,647
Interest Cost	1,779,795
Changes of Assumptions	4,045,015
Differences between Expected and Actual Experience	(82,436)
Gross Benefit Payments by the State	46,542
Contributions from Members	(1,359,258)
Net Changes	7,199,305
Balance at June 30, 2024	$ 54,068,133

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

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

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	$ 63,325,363	$ 54,068,133	$ 46,541,821

NOTE 20. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 45,039,148	$ 54,068,133	$ 65,828,981

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $2,920,548 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is $-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2024 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the sources on the following page.

NOTE 20. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ 1,036,899
	2018	9.51		1,265,885
	2019	9.29	$ 199,722	
	2020	9.24	5,151,937	
	2021	9.24	30,432	
	2022	9.13		8,268,361
	2023	9.30	75,090	
	2024	9.33	3,611,466	
			9,068,647	10,571,145
Differences between Expected and Actual Experience	2018	9.51		1,196,655
	2019	9.29		2,350,736
	2020	9.24	4,801,808	
	2021	9.24		5,852,230
	2022	9.13	851,522	
	2023	9.30		697,559
	2024	9.33	128,620	
			5,781,950	10,097,180
Changes in Proportion	N/A	N/A	2,584,495	811,186
			$ 17,435,092	$ 21,479,511

N/A - Not Available

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

Fiscal Year Ending June 30,	Total
2024	$ (1,917,860)
2025	(1,608,137)
2026	(763,814)
2027	200,744
2028	(1,393,815)
Thereafter	(334,846)
	$ (5,817,728)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0364324082%	0.0377721067%	0.0393884588%	0.0386080136%	0.0236239042%
District's proportionate share of the net pension liability	$ 8,178,346	$ 11,187,015	$ 9,169,004	$ 7,601,725	$ 4,256,669
District's covered employee payroll	$ 2,489,416	$ 2,592,656	$ 2,592,656	$ 2,643,172	$ 1,802,304
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	328.52%	431.49%	353.65%	287.60%	236.18%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0261647346%	0.0290542469%	0.0300473093%	0.034445033800%	0.035846745200%
District's proportionate share of the net pension liability	$ 4,266,784	$ 3,441,911	$ 4,534,553	$ 4,970,277	$ 4,870,872
District's covered employee payroll	$ 2,057,475	$ 2,143,244	$ 2,424,402	$ 2,680,755	$ 3,020,129
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	207.38%	160.59%	187.04%	185.41%	161.28%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	70.33%	62.91%	65.23%	68.22%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually required contribution	$ 314,090	$ 340,375	$ 371,239	$ 386,845	$ 231,550
Contributions in relation to the contractually required contribution	(314,090)	(340,375)	(371,239)	(386,845)	(231,550)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$ 2,592,656	$ 2,592,656	$ 2,643,172	$ 1,802,304	$ 2,057,475
Contributions as a percentage of covered employee payroll	12.11%	13.13%	14.05%	21.46%	11.25%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution	$ 286,229	$ 340,259	$ 378,911	$ 458,626	$ 487,774
Contributions in relation to the contractually required contribution	(286,229)	(340,259)	(378,911)	(458,626)	(487,774)
Contribution deficiency/(excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's covered employee payroll	$ 2,143,244	$ 2,424,402	$ 2,680,755	$ 3,020,129	$ 3,363,860
Contributions as a percentage of covered employee payroll	13.35%	14.03%	14.13%	15.19%	14.50%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.09387155790%	0.10390947108%	0.10491326321%	0.11205276680%	0.11477546078%
State's proportionate share of the net pension liability attributable to the District	$ 59,330,833	$ 81,741,820	$ 70,736,285	$ 71,285,547	$ 70,438,771
District's covered employee payroll	$ 9,870,838	$ 10,464,674	$ 11,469,546	$ 11,938,207	$ 12,896,873
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	601.07%	781.12%	616.73%	597.12%	546.17%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.11052033886%	0.1231160637%	0.1321811789%	0.1336240711%	0.1355223180%
State's proportionate share of the net pension liability attributable to the District	$ 72,776,317	$ 59,188,280	$ 68,198,107	$ 68,191,931	$ 66,982,476
District's covered employee payroll	$ 14,552,101	$ 15,122,221	$ 15,582,257	$ 16,295,691	$ 18,268,659
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	500.11%	391.40%	437.67%	418.47%	366.65%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Contractually required contribution	$ 3,622,682	$ 6,141,760	$ 4,900,253	$ 4,155,699	$ 4,154,668
Contributions in relation to the contractually required contribution	(831,939)	(1,180,068)	(1,650,142)	(2,257,356)	(2,424,134)
Contribution deficiency/(excess)	$ 2,790,743	$ 4,961,692	$ 3,250,111	$ 1,898,343	$ 1,730,534
District's covered employee payroll	$ 10,464,674	$ 11,469,546	$ 11,938,207	$ 12,896,873	$ 14,552,101
Contributions as a percentage of covered employee payroll	7.95%	10.29%	13.82%	17.50%	16.66%

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Contractually required contribution	$ 4,525,541	$ 1,392,726	$ 1,835,402	$ 1,675,277	$ (244,342)
Contributions in relation to the contractually required contribution	(3,578,835)	(5,441,445)	(5,462,633)	(5,775,095)	(6,100,341)
Contribution deficiency/(excess)	$ 946,706	$ (4,048,719)	$ (3,627,231)	$ (4,099,818)	$ (6,344,683)
District's covered employee payroll	$ 15,122,221	$ 15,582,257	$ 16,295,691	$ 18,268,659	$ 20,239,581
Contributions as a percentage of covered employee payroll	23.67%	34.92%	33.52%	31.61%	30.14%

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

	Fiscal Years Ending June 30,							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	$ 2,739,161	$ 2,264,147	$ 2,029,857	$ 1,951,237	$ 3,959,082	$ 3,551,274	$ 2,697,102	$ 2,769,647
Interest Cost	1,484,976	1,728,658	1,612,063	1,322,915	1,384,137	1,168,573	1,650,663	1,779,795
Changes in Assumptions	(6,530,422)	(4,608,757)	541,929	10,917,226	52,641	(11,828,951)	94,468	4,045,015
Differences between Expected and Actual Experience		(4,721,773)	(6,916,438)	10,237,273	(10,750,082)	(1,032,280)	(424,255)	(82,436)
Member Contributions	39,690	37,116	33,073	31,537	35,386	37,133	42,301	46,542
Gross Benefit Payments	(1,077,878)	(1,073,910)	(1,115,728)	(1,040,480)	(1,090,313)	(1,157,506)	(1,286,719)	(1,359,258)
Net Change in Total OPEB Liability	(3,344,473)	(6,374,519)	(3,815,244)	23,419,708	(6,409,149)	(9,261,757)	2,773,560	7,199,305
Total OPEB Liability - Beginning	49,880,702	46,536,229	40,161,710	36,346,466	59,766,174	53,357,025	44,095,268	46,868,828
Total OPEB Liability - Ending	$ 46,536,229	$ 40,161,710	$ 36,346,466	$ 59,766,174	$ 53,357,025	$ 44,095,268	$ 46,868,828	$ 54,068,133
State's Covered Employee Payroll *	$ 13,057,330	$ 14,062,202	$ 14,581,379	$ 14,699,177	$ 16,609,576	$ 17,265,465	$ 18,006,659	$ 18,976,446
Total OPEB Liability as a Percentage of Covered Employee Payroll	356%	288%	249%	407%	321%	255%	260%	285%

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

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuari0al Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	$ 13,965,571		$ 13,965,571	$ 13,965,571	
Tuition From Other LEAs Within the State	2,841,946		2,841,946	2,881,648	$ 39,702
Transportation Fees From Other LEAs	20,000		20,000	22,900	2,900
Unrestricted Miscellaneous Revenues	450,000		450,000	461,088	11,088
Interest Earned on Current Expense Emergency Reserve	1,300		1,300	7,165	5,865
Interest Earned on Maintenance Reserve	5,000		5,000	27,240	22,240
Interest Earned on Capital Reserve Funds	12,500		12,500	149,482	136,982
Other Restricted Miscellaneous Revenues				89,445	89,445
Total Revenues from Local Sources	17,296,317		17,296,317	17,604,539	308,222
Revenues from State Sources:					
School Choice Aid	126,344		126,344	126,344	
Categorical Transportation Aid	155,401		155,401	155,401	
Extraordinary Aid	300,000		300,000	357,798	57,798
Categorical Special Education Aid	2,241,787		2,241,787	2,241,787	
Equalization Aid	31,381,837		31,381,837	31,381,837	
Categorical Security Aid	1,049,044		1,049,044	1,049,044	
Menstrual Product Reimbursement				3,661	3,661
TPAF Post Retirement Contributions (Non-Budgeted)				1,804,605	1,804,605
TPAF Pension Contributions (Non-Budgeted)				6,100,341	6,100,341
TPAF Non-Contributory Insurance (Non-Budgeted)				75,567	75,567
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,700	4,700
Reimbursed TPAF Social Security Contributions				1,452,314	1,452,314
Total Revenues from State Sources	35,254,413		35,254,413	44,753,399	9,498,986
Revenues from Federal Sources:					
Medicaid Reimbursement	68,223		68,223	37,658	(30,565)
Total Revenues from Federal Sources	68,223		68,223	37,658	(30,565)
TOTAL REVENUE	52,618,953		52,618,953	62,395,596	9,776,643

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	$ 15,219	$ (3,095)	$ 12,124	$ 2,850	$ 9,274
Kindergarten - Salaries of Teachers	829,960	38,546	868,506	857,537	10,969
Grades 1-5 - Salaries of Teachers	3,734,374	(325,627)	3,408,747	3,227,223	181,524
Grades 6-8 - Salaries of Teachers	2,318,548	(144,450)	2,174,098	1,996,803	177,295
Grades 9-12 - Salaries of Teachers	3,963,818	(305,081)	3,658,737	3,658,737	
Other Salaries for Instruction		4,000	4,000	4,000	
Regular Programs - Home Instruction:					
Salaries of Teachers	35,772	13,648	49,420	46,628	2,792
Purchased Professional-Educational Services	41,000	(10,936)	30,064	21,374	8,690
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	151,881	118,767	270,648	268,363	2,285
Purchased Professional-Educational Services	369,550	276,632	646,182	589,070	57,112
Other Purchased Services (400-500 series)	275,000	(149,586)	125,414	105,775	19,639
General Supplies	562,420	308,768	871,188	820,347	50,841
Textbooks	562,610	(456,000)	106,610	93,375	13,235
Other Objects	37,950	10,000	47,950	34,064	13,886
Total Regular Programs - Instruction	12,898,102	(624,414)	12,273,688	11,726,146	547,542
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	998,211	(187,042)	811,169	811,169	
Purchased Professional-Educational Services	210,143	(3,332)	206,811	197,564	9,247
General Supplies	11,393	898	12,291	6,771	5,520
Total Learning and/or Language Disabilities	1,219,747	(189,476)	1,030,271	1,015,504	14,767

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	$ 310,000	$ (92,547)	$ 217,453	$ 216,953	$ 500
Purchased Professional-Educational Services	160,000	(2,353)	157,647	141,056	16,591
General Supplies	5,801	(1,534)	4,267	572	3,695
Total Behavioral Disabilities	475,801	(96,434)	379,367	358,581	20,786
Resource Room/Resource Center:					
Salaries of Teachers	1,820,000	(118,567)	1,701,433	1,515,905	185,528
Other Salaries for Instruction	35,000		35,000		35,000
Purchased Professional-Educational Services	190,000		190,000	144,471	45,529
General Supplies	13,450	(1,000)	12,450	4,268	8,182
Other Objects		1,000	1,000	225	775
Total Resource Room/Resource Center	2,058,450	(118,567)	1,939,883	1,664,869	275,014
Autism:					
Salaries of Teachers	443,000	(500)	442,500	136,505	305,995
Purchased Professional-Educational Services	45,550		45,550	32,000	13,550
Other Purchased Services (400-500 series)		500	500	322	178
General Supplies	6,600		6,600	2,272	4,328
Total Autism	495,150		495,150	171,099	324,051
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,249,148	(404,477)	3,844,671	3,210,053	634,618
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,017,510	365,562	1,383,072	1,381,662	1,410
Purchased Professional-Educational Services	13,542	(6,710)	6,832	5,000	1,832
General Supplies	6,000		6,000	3,417	2,583
Total Basic Skills/Remedial - Instruction	1,037,052	358,852	1,395,904	1,390,079	5,825

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	$ 1,200,000	$ 40,317	$ 1,240,317	$ 1,239,950	$ 367
Other Salaries for Instruction	35,000	(35,000)			
Purchased Professional-Educational Services	56,671	(7,932)	48,739	29,008	19,731
Other Purchased Services (400-500 series)		63,633	63,633	59,730	3,903
General Supplies	71,160	(42,085)	29,075	27,030	2,045
Textbooks	51,700	(17,677)	34,023	21,647	12,376
Other Objects	4,360	(2,872)	1,488	289	1,199
Total Bilingual Education - Instruction	1,418,891	(1,616)	1,417,275	1,377,654	39,621
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	190,000	8,744	198,744	198,744	
Purchased Services (300-500 series)	22,450		22,450	1,685	20,765
Supplies and Materials	10,600		10,600	4,298	6,302
Other Objects	5,990		5,990	3,737	2,253
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	229,040	8,744	237,784	208,464	29,320
School-Sponsored Athletics - Instruction:					
Salaries	603,500	(130,091)	473,409	416,716	56,693
Purchased Services (300-500 series)	180,853	(12,011)	168,842	159,131	9,711
Supplies and Materials	95,500	71,543	167,043	164,765	2,278
Other Objects	46,650	(21,493)	25,157	18,881	6,276
Total School-Sponsored Athletics - Instruction	926,503	(92,052)	834,451	759,493	74,958
Before/After School Programs - Instruction:					
Salaries of Teachers		90,000	90,000		90,000
Total Before/after School Programs - Instruction		90,000	90,000		90,000

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional/Alternative Education Program - Instruction:					
Salaries of Teachers	$ 80,000	$ (10,000)	$ 70,000	$ 12,928	$ 57,072
Total Instructional Alternative Education Program - Instruction	80,000	(10,000)	70,000	12,928	57,072
Other Supplemental/At Risk Programs - Instruction:					
Salaries of Teacher Tutors		10,000	10,000	2,401	7,599
Total Other Suppl/at-risk Prog - Instruction		10,000	10,000	2,401	7,599
TOTAL INSTRUCTION	20,838,736	(664,963)	20,173,773	18,687,218	1,486,555
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	85,000	59,189	144,189	142,839	1,350
Tuition to Other LEAs Within the State-Special	178,739		178,739	156,222	22,517
Tuition to County Voc. School Dist.-Regular	320,511	58,135	378,646	378,646	
Tuition to County Voc. School Dist.-Special	71,316	(71,316)			
Tuition to Priv. Sch. for the Handicap. W/I State	2,783,896	(83,719)	2,700,177	2,369,026	331,151
Tuition - Other		37,711	37,711	37,711	
Total Undistributed Expenditures - Instruction	3,439,462		3,439,462	3,084,444	355,018
Undistributed Expend. - Attend. & Social Work:					
Salaries	300,436	(120,297)	180,139	180,139	
Total Undist. Expend. - Attendance and Social Work	300,436	(120,297)	180,139	180,139	
Undistributed Expenditures - Health Services:					
Salaries	449,535	(26,082)	423,453	423,036	417
Purchased Professional and Technical Services	9,399	(3,820)	5,579	5,104	475
Other Purchased Services (400-500 series)	22,586	(10,964)	11,622	3,137	8,485
Supplies and Materials	24,470	45,910	70,380	65,854	4,526
Total Undist. Expenditures - Health Services	505,990	5,044	511,034	497,131	13,903

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	$ 420,555	$ 47,460	$ 468,015	$ 466,475	$ 1,540
Purchased Professional - Educational Services	56,650	3,000	59,650	38,957	20,693
Supplies and Materials	25,850	(3,219)	22,631	5,526	17,105
Total Undist. Expend. - Speech, OT, PT, Related Svcs	503,055	47,241	550,296	510,958	39,338
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	130,000		130,000	130,000	
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	130,000		130,000	130,000	
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	1,048,500	(126,029)	922,471	922,471	
Salaries of Secretarial and Clerical Assistants	76,335	(4,855)	71,480	71,480	
Other Purchased Prof. and Tech. Services	83,615		83,615	76,697	6,918
Other Purchased Services (400-500 series)	18,906	4,634	23,540	16,992	6,548
Supplies and Materials	38,645	(22,376)	16,269	10,352	5,917
Other Objects	945		945	299	646
Total Undist Expend. - Guidance	1,266,946	(148,626)	1,118,320	1,098,291	20,029
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	1,213,279	100,790	1,314,069	1,311,976	2,093
Salaries of Secretarial and Clerical Assistants	185,000	(52,951)	132,049	125,473	6,576
Purchased Professional - Educational Services	76,250	59	76,309	39,316	36,993
Other Purchased Prof. and Tech. Services	40,150	(500)	39,650	25,224	14,426
Residential Costs	2,000	500	2,500	916	1,584
Supplies and Materials	25,344	2,775	28,119	24,888	3,231
Other Objects	2,750	500	3,250	2,755	495
Total Undist Expend. - Child Study Team	1,544,773	51,173	1,595,946	1,530,548	65,398

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff	$ 795,000	$ 62,840	$ 857,840	$ 856,429	$ 1,411
Salaries of Secretarial and Clerical Assistants		58,520	58,520	58,520	
Other Salaries	195,522	(27,515)	168,007	157,339	10,668
Purchased Professional - Educational Services	17,900	(6,005)	11,895		11,895
Other Purchased Prof. and Tech. Services	50,000	(24,710)	25,290	13,791	11,499
Other Purchased Services (400-500 series)	13,000	57,155	70,155	57,284	12,871
Supplies and Materials	82,980	(55,831)	27,149	5,445	21,704
Other Objects	10,000		10,000	1,576	8,424
Total Undist. Expend.-Improv. of Inst. Serv.	1,164,402	64,454	1,228,856	1,150,384	78,472
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	50,000	104,434	154,434	153,490	944
Salaries of Technology Coordinators	290,000	(13,843)	276,157	269,938	6,219
Purchased Professional and Technical Services	12,195	(8,362)	3,833		3,833
Other Purchased Services (400-500 series)	4,227	(100)	4,127	927	3,200
Supplies and Materials	40,349	(1,345)	39,004	26,678	12,326
Total Undist Expend-Edu. Media Serv./Sch. Library	396,771	80,784	477,555	451,033	26,522
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Secretarial and Clerical Assistants		2,100	2,100	2,100	
Other Salaries	35,000	10,030	45,030	45,030	
Purchased Professional - Educational Service	199,896	(70,359)	129,537	124,539	4,998
Other Purchased Services (400-500 series)	29,985	8,908	38,893	38,782	111
Supplies and Materials	1,100	(283)	817	817	
Other Objects		250	250		250
Total Undist.Expend.-Instructional Staff Training Services	265,981	(49,354)	216,627	211,268	5,359

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	$ 345,000	$ 8,541	$ 353,541	$ 318,630	$ 34,911
Legal Services	139,000	(12,500)	126,500	92,500	34,000
Audit Fees	59,500		59,500	50,150	9,350
Architectural/Engineering Services		26,400	26,400	23,758	2,642
Other Purchased Professional Services	22,000	(21,234)	766		766
Communications / Telephone	184,953	12,193	197,146	150,152	46,994
BOE Other Purchased Services	16,800	800	17,600	8,935	8,665
Other Purch. Serv. (400-500 series other than 530 & 585)	182,088	(5,000)	177,088	173,416	3,672
General Supplies	18,521	(700)	17,821	7,798	10,023
BOE In-house training/ Meeting Supplies	2,500	3,000	5,500	3,875	1,625
Judgments Against The School District		12,500	12,500	12,500	
Miscellaneous Expenditures	25,500	(1,700)	23,800	19,049	4,751
BOE Membership Dues and Fees	17,500		17,500	15,966	1,534
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,013,362	22,300	1,035,662	876,729	158,933
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,306,669	65,636	1,372,305	1,092,438	279,867
Salaries of Other Professional Staff	412,326	(8,197)	404,129	276,770	127,359
Salaries of Secretarial and Clerical Assistants	387,381	15,466	402,847	360,309	42,538
Purchased Professional and Technical Services		5,000	5,000	4,890	110
Other Purchased Services (400-500 series)	18,087	(3,905)	14,182	6,229	7,953
Supplies and Materials	41,578	8,800	50,378	35,651	14,727
Other Objects	11,680	1,000	12,680	9,938	2,742
Total Undist. Expend.-Support Serv.-School Adm.	2,177,721	83,800	2,261,521	1,786,225	475,296

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	$ 765,000		$ 765,000	$ 631,416	$ 133,584
Purchased Professional Services	14,000	$ (300)	13,700	11,640	2,060
Purchased Professional Services-Public Relations cost	75,500		75,500	42,000	33,500
Purchased Technical Services	56,500	(890)	55,610	27,153	28,457
Miscellaneous Purchased Services (400-500 series other than 594)	22,000	60	22,060	20,015	2,045
Supplies and Materials	27,500		27,500	22,615	4,885
Interest on Lease Purchase Agreements	7,751		7,751	7,750	1
Other Objects		47,890	47,890	2,790	45,100
Total Undist. Expend. - Central Services	968,251	46,760	1,015,011	765,379	249,632
Undist. Expend. - Admin. Info. Technology:					
Salaries	185,000		185,000	37,266	147,734
Purchased Professional Services	51,000		51,000	40,515	10,485
Purchased Technical Services	154,272	6,000	160,272	157,291	2,981
Supplies and Materials	9,500		9,500	7,670	1,830
Total Undist. Expend. - Admin. Info. Technology	399,772	6,000	405,772	242,742	163,030
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	495,000		495,000	301,695	193,305
Cleaning, Repair, and Maintenance Services	405,400	88,000	493,400	457,009	36,391
General Supplies	189,000	(88,000)	101,000	81,227	19,773
Total Undist. Expend.- Required Maint. for School Facilities	1,089,400		1,089,400	839,931	249,469

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	$ 75,000	$ 7,311	$ 82,311	$ 82,311	
Salaries of Non-Instructional Aides	50,000	(16,311)	33,689		$ 33,689
Purchased Professional and Technical Services	1,500,500	(75,000)	1,425,500	1,112,126	313,374
Cleaning, Repair, and Maintenance Services	73,500	(13,136)	60,364	36,825	23,539
Other Purchased Property Services	65,000	1,500	66,500	47,751	18,749
Insurance	350,500		350,500	343,102	7,398
Miscellaneous Purchased Services	10,250		10,250	9,067	1,183
General Supplies	111,700	13,636	125,336	125,176	160
Energy (Natural Gas)	549,750	(50,500)	499,250	259,123	240,127
Energy (Electricity)	685,000	(165,000)	520,000	393,362	126,638
Energy (Oil)	7,500		7,500	7,070	430
Energy (Gasoline)	5,500		5,500		5,500
Other Objects	5,100		5,100	4,749	351
Total Undist. Expend.-Custodial Services	3,489,300	(297,500)	3,191,800	2,420,662	771,138
Care and Upkeep of Grounds:					
Salaries	173,921	(5,000)	168,921	121,995	46,926
Cleaning, Repair, and Maintenance Services	73,000		73,000	48,756	24,244
General Supplies	12,300	5,000	17,300	15,506	1,794
Total Care And Upkeep Of Grounds	259,221		259,221	186,257	72,964
Security:					
Salaries	317,900	(20,000)	297,900	255,846	42,054
Purchased Professional and Technical Services	166,800	14,000	180,800	134,729	46,071
Cleaning, Repair, and Maintenance Services	1,500		1,500	962	538
General Supplies	3,500	3,530	7,030	6,903	127
Other Objects	49,000	(3,530)	45,470	1,440	44,030
Total Security	538,700	(6,000)	532,700	399,880	132,820
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	5,376,621	(303,500)	5,073,121	3,846,730	1,226,391

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	$ 80,000	$ (20,229)	$ 59,771	$ 59,771	
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	159,915	101,468	261,383	261,383	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	105,000	(1,104)	103,896	103,896	
Cleaning, Repair, and Maint. Services	60,000	(12,994)	47,006	45,633	$ 1,373
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.	30,000	290	30,290	24,465	5,825
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	21,250	28,300	49,550	40,526	9,024
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	1,200,000	(105,053)	1,094,947	708,611	386,336
Misc. Purchased Serv. - Transportation	34,500	(15,388)	19,112	10,127	8,985
Transportation Supplies	45,000	(290)	44,710	38,062	6,648
Other Objects	1,900		1,900	1,023	877
Total Undist. Expend.-Student Trans. Serv.	1,737,565	(25,000)	1,712,565	1,293,497	419,068
UNALLOCATED BENEFITS					
Social Security Contributions	417,424	91,306	508,730	486,930	21,800
Other Retirement Contributions - PERS	530,000	(39,049)	490,951	487,943	3,008
Other Retirement Contributions - Regular		1,575	1,575	1,575	
Unemployment Compensation		36,408	36,408	4,164	32,244
Workers Compensation	215,500	(32,959)	182,541	174,458	8,083
Health Benefits	7,574,287	(128,910)	7,445,377	6,786,513	658,864
Tuition Reimbursement	117,500		117,500	72,555	44,945
Other Employee Benefits	98,400		98,400	24,618	73,782
Unused Sick Payment to Terminated/Retired Staff	80,000	(10,899)	69,101	21,954	47,147
Unused Vacation Payment to Terminated/Retired Staff	80,000	37,528	117,528	117,528	
TOTAL UNALLOCATED BENEFITS	9,113,111	(45,000)	9,068,111	8,178,238	889,873

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				$ 1,804,605	$ (1,804,605)
TPAF Pension Contributions (Non-Budgeted)				6,100,341	(6,100,341)
TPAF Non-Contributory Insurance (Non-Budgeted)				75,567	(75,567)
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,700	(4,700)
Reimbursed TPAF Social Security Contributions				1,452,314	(1,452,314)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				9,437,527	(9,437,527)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	$ 9,113,111	$ (45,000)	$ 9,068,111	17,615,765	(8,547,654)
TOTAL UNDISTRIBUTED EXPENDITURES	30,304,219	(284,221)	30,019,998	35,271,263	(5,251,265)
TOTAL GENERAL CURRENT EXPENSE	51,142,955	(949,184)	50,193,771	53,958,481	(3,764,710)
CAPITAL OUTLAY					
Equipment:					
Kindergarten	30,950	1,000	31,950	31,150	800
Grades 1-5	25,928	(22,983)	2,945		2,945
Grades 6-8	168,000	10,000	178,000	173,548	4,452
Grades 9-12	133,800	74,245	208,045	183,583	24,462
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	350,000	114,312	464,312	463,843	469
Undist. Expend. - Care and Upkeep of Grounds	215,000	(100,000)	115,000	112,833	2,167
Undist. Expend. - Security	46,000	(2,329)	43,671	42,111	1,560
School Buses - Regular		114,555	114,555	114,555	
Total Equipment	969,678	188,800	1,158,478	1,121,623	36,855

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	$ 450,000	$ 61,250	$ 511,250	$ 160,057	$ 351,193
Construction Services	1,506,800	588,750	2,095,550	925,538	1,170,012
Lease Purchase Agreements - Principal	649,681		649,681	649,681	
Other Objects	18,800	(18,800)			
Assessment for Debt Service on SDA Funding	9,836		9,836	9,836	
Total Facilities Acquisition and Const. Serv.	2,635,117	631,200	3,266,317	1,745,112	1,521,205
Assets Acquired Under Leases (Non-Budgeted):					
Regular Programs - Equipment				1,125,640	(1,125,640)
Total Assets Acquired Under Leases (Non-Budgeted)				1,125,640	(1,125,640)
TOTAL CAPITAL OUTLAY	3,604,795	820,000	4,424,795	3,992,375	432,420
Transfer of Funds to Charter Schools	469,170		469,170	458,182	10,988
	469,170		469,170	458,182	10,988
TOTAL EXPENDITURES	55,216,920	(129,184)	55,087,736	58,409,038	(3,321,302)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,597,967)	129,184	(2,468,783)	3,986,558	6,455,341

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Transfers from Other Funds - Food Service Fund Interest				$ 12,369	$ 12,369
Leases (Non-budgeted)				1,125,640	1,125,640
Transfer to Special Revenue Fund - PreK - Inclusion		$ (129,184)	$ (129,184)	(129,184)	
Cancellation of Prior Year Accounts Payable				137,511	137,511
Total Other Financing Sources/(Uses)		(129,184)	(129,184)	1,146,336	1,275,520
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	$ (2,597,967)		(2,597,967)	5,132,894	7,730,861
Fund Balance, July 1	13,859,009		13,859,009	13,859,009	
Fund Balance, June 30	$ 11,261,042	$ -0-	$ 11,261,042	$ 18,991,903	$ 7,730,861

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus - Restricted For 2026-2027	$ 7,544,568
Excess Surplus - Restricted For 2025-2026	2,859,942
Capital Reserve	5,728,264
Maintenance Reserve	1,043,837
Emergency Reserve	274,585
Unemployment Compensation	494,404
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	29,004
Unassigned Fund Balance	1,017,299
	18,991,903
Reconciliation to Governmental Funds Statement (GAAP):	
Last State Aid Payments not Recognized on GAAP basis	(3,490,023)
Fund Balance per Governmental Funds (GAAP)	$ 15,501,880

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	$ 93,907	$ 98,283	$ 192,190	$ 178,894	$ (13,296)
State Sources	2,050,796	527,181	2,577,977	1,528,991	(1,048,986)
Federal Sources	1,219,913	159,605	1,379,518	1,126,978	(252,540)
Total Revenues	3,364,616	785,069	4,149,685	2,834,863	(1,314,822)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund		129,184	129,184	129,184	
Total Revenues and Other Financing Sources	3,364,616	914,253	4,278,869	2,964,047	(1,314,822)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,488,747	(643,714)	845,033	727,883	117,150
Other Salaries for Instruction		397,071	397,071	389,581	7,490
Purchased Professional and Technical Services	114,377	(96,034)	18,343	7,600	10,743
Other Purchased Professional Services	432,757	36,867	469,624	446,285	23,339
General Supplies	416,905	70,628	487,533	430,337	57,196
Total Instruction	2,452,786	(235,182)	2,217,604	2,001,686	215,918

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Support Services:					
Salaries of Supervisors of Instruction	$ 18,448	$ 234,086	$ 252,534	$ 93,283	$ 159,251
Salaries of Program Directors	65,153	67,905	133,058	66,272	66,786
Salaries of Other Professional Staff	83,592	59,259	142,851	79,185	63,666
Salaries of Secretaries and Clerical Assistants	8,177	101,036	109,213	71,008	38,205
Salaries of Community Parent Involvement Specialist	247,477	(231,233)	16,244	10,943	5,301
Salaries of Master Teachers	72,590	23,730	96,320	92,510	3,810
Other Salaries	138,631	465,192	603,823	3,101	600,722
Purchased Professional and Technical Services	64,343	139,699	204,042	139,255	64,787
Other Purchased Professional Services	85,688	73,232	158,920	101,149	57,771
Cleaning, Repair and Maintenance Services	30,000	(30,000)			
Supplies and Materials	3,824	146,125	149,949	122,177	27,772
Student Activities	93,907	91,283	185,190	185,190	
Total Support Services	911,830	1,140,314	2,052,144	964,073	1,088,071
Equipment and Facilities Acquisition:					
Instructional Equipment		9,121	9,121	9,121	
Total Equipment and Facilities Acquisition		9,121	9,121	9,121	
Total Expenditures	$ 3,364,616	$ 914,253	$ 4,278,869	$ 2,974,880	$ 1,303,989
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	$ -0-	$ -0-	$ -0-	$ (10,833)	$ (10,833)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 62,395,596	$ 2,834,863
Differences - Budgetary to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	3,027,192	160,026
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(3,490,023)	(204,762)
Total Revenues as Reported on the Statement of Revenues, Expenditures and and Changes in Fund Balances - Governmental Funds.	$ 61,932,765	$ 2,790,127
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 58,409,038	$ 2,974,880
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 58,409,038	$ 2,974,880

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

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act				
	Title I	Title II Part A	Title III	Title III Immigrant	Title IV
REVENUE:					
Local Sources					
State Sources					
Federal Sources	$ 416,788	$ 63,890	$ 82,455	$ 1,694	$ 8,099
Total Revenue	416,788	63,890	82,455	1,694	8,099
Other Financing Sources:					
Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	416,788	63,890	82,455	1,694	8,099
EXPENDITURES:					
Instruction:					
Salaries of Teachers	32,977				
Other Salaries for Instruction					
Purchased Professional and Technical Services					7,600
Other Purchased Professional Services			2,091		499
General Supplies	316,495		80,364	1,694	
Total Instruction	349,472		82,455	1,694	8,099
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Program Directors					
Salaries of Other Professional Staff					
Salaries of Secretarial & Clerical Assistants					
Salaries of Community Parent Involvement Specialist					
Salaries of Master Teachers					
Other Salaries	3,101				
Purchased Professional and Technical Services	59,215	33,840			
Other Purchased Professional Services	5,000	30,050			
Supplies and Materials					
Student Activities					
Total Support Services	67,316	63,890			
Equipment and Facilities Acquisition:					
Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	$ 416,788	$ 63,890	$ 82,455	$ 1,694	$ 8,099

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

	IDEA Part B		COVID-19 - American Rescue Plan		SDA
	Basic	Preschool	Evidence Based Summer Learning	Evidence Based Beyond The School Day	Emergent and Capital Maintenance
REVENUE:					
Local Sources					
State Sources					$ 9,121
Federal Sources	$ 526,000	$ 8,573	$ 6,014	$ 13,465	
Total Revenue	526,000	8,573	6,014	13,465	9,121
Other Financing Sources:					
Transfer In - Board Contribution - General Fund					
Total Revenues and Other Financing Sources	526,000	8,573	6,014	13,465	9,121
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction					
Purchased Professional and Technical Services					
Other Purchased Professional Services	443,695				
General Supplies	12,305		6,014	13,465	
Total Instruction	456,000		6,014	13,465	
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Program Directors					
Salaries of Other Professional Staff					
Salaries of Secretarial & Clerical Assistants					
Salaries of Community Parent Involvement Specialist					
Salaries of Master Teachers					
Other Salaries					
Purchased Professional and Technical Services	45,000	1,200			
Other Purchased Professional Services	25,000				
Supplies and Materials		7,373			
Student Activities					
Total Support Services	70,000	8,573			
Facilities Acquisition:					
Instructional Equipment					9,121
Total Facilities Acquisition					9,121
Total Expenditures	$ 526,000	$ 8,573	$ 6,014	$ 13,465	$ 9,121

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

	Preschool Education Aid	Student Activities	Local Grants	Totals
REVENUE:				
Local Sources		$ 174,357	$ 4,537	$ 178,894
State Sources	$ 1,519,870			1,528,991
Federal Sources				1,126,978
Total Revenue	1,519,870	174,357	4,537	2,834,863
Other Financing Sources:				
Transfer In - Board Contribution - General Fund	129,184			129,184
Total Revenues and Other Financing Sources	1,649,054	174,357	4,537	2,964,047
EXPENDITURES:				
Instruction:				
Salaries of Teachers	694,906			727,883
Other Salaries for Instruction	389,581			389,581
Purchased Professional and Technical Services				7,600
Other Purchased Professional Services				446,285
General Supplies				430,337
Total Instruction	1,084,487			2,001,686
Support Services:				
Salaries of Supervisors of Instruction	93,283			93,283
Salaries of Program Directors	66,272			66,272
Salaries of Other Professional Staff	79,185			79,185
Salaries of Secretarial & Clerical Assistants	71,008			71,008
Salaries of Community Parent Involvement Specialist	10,943			10,943
Salaries of Master Teachers	92,510			92,510
Other Salaries				3,101
Purchased Professional and Technical Services				139,255
Other Purchased Professional Services	41,099			101,149
Supplies and Materials	110,267		4,537	122,177
Student Activities		185,190		185,190
Total Support Services	564,567	185,190	4,537	964,073
Equipment and Facilities Acquisition:				
Instructional Equipment				9,121
Total Equipment and Facilities Acquisition				9,121
Total Expenditures	$ 1,649,054	$ 185,190	$ 4,537	$ 2,974,880

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

District-Wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$ 776,453	$ 694,906	$ 81,547
Other Salaries for Instruction	397,071	389,581	7,490
Total Instruction	1,173,524	1,084,487	89,037
Support Services:			
Salaries of Supervisors of Instruction	100,000	93,283	6,717
Salaries of Program Directors	133,058	66,272	66,786
Salaries of Other Professional Staff	142,851	79,185	63,666
Salaries of Secretaries and Clerical Assistants	109,213	71,008	38,205
Other Salaries	15,102		15,102
Salaries of Community Parent Involvement Specialist	16,244	10,943	5,301
Salaries of Master Teachers	96,320	92,510	3,810
Personal Services - Employee Benefits	582,148		582,148
Other Purchased Professional Services	75,000	41,099	33,901
Supplies and Materials	125,396	110,267	15,129
Total Support Services	1,395,332	564,567	830,765
Total Expenditures	$ 2,568,856	$ 1,649,054	$ 919,802

State Grant Expenditures	$ 1,519,870
Local Expenditures	129,184
	$ 1,649,054

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2024-25 Preschool Education Aid Allocation	$ 2,050,796
Actual Preschool Education Aid Carryover (June 30, 2024)	952,010
Add: Budgeted Transfer from General Fund 2024-25	129,184
Total Preschool Education Aid Funds Available for 2024-25	3,131,990
Less: 2024-25 Budgeted Preschool Education Aid Funds	(2,568,856)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	563,134
Add: June 30, 2025 Unexpended Preschool Education Aid	919,802
Total Carryover - Preschool Education Aid	$ 1,482,936
Available for Budgeting for Preschool Programs - State Portion	1,342,152
State Funding Deduction of 25% of Carryover Funds	$ 140,784

CAPITAL PROJECTS FUND

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:		
Interest on Investments	$	30,592
Total Revenue and Other Financing Sources		30,592
Expenditures and Other Financing Uses:		
Other Purchased Professional Services		336,678
Construction Services		4,260,375
Total Expenditures and Other Financing Uses		4,597,053
Other Financing Uses:		
Transfer Out - Debt Service Fund		30,592
Total Other Financing Uses		30,592
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses		(4,597,053)
Fund Balance - Beginning of Year		4,597,053
Fund Balance - End of Year	$	-0-
Reconciliation to Governmental Funds Statement (GAAP):		
SDA ROD Grants not Recognized on GAAP Basis	$	(1,994,954)
Fund Balance/(Deficit) per Governmental Funds (GAAP)	$	(1,994,954)

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOUND BROOK HIGH SCHOOL BOILER PLANT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
State Sources - SDA ROD Grant	$ 656,491		$ 656,491	$ 656,491
Transfer from Capital Outlay	334,709		334,709	334,709
Total Revenue and Other Financing Sources	991,200		991,200	991,200
Expenditures and Other Financing Uses				
Other Purchased Professional Services	8,529	$ 78,201	86,730	86,730
Construction Services		904,470	904,470	904,470
Total Expenditures and Other Financing Uses	8,529	982,671	991,200	991,200
Excess of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	$ 982,671	$ (982,671)	$ -0-	$ -0-

Additional Project Information:	
Project Number(s)	0490-020-23-G5BY
Grant Date(s)	1/25/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 991,200
Percentage Completion	100.00%
Original Target Completion Date	6/30/2026

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOUND BROOK LAMONTE ANNEX ELEMENTARY SCHOOL BOILER PLANT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
State Sources - SDA ROD Grant	$ 555,553		$ 555,553	$ 555,553
Transfer from Capital Outlay	283,247		283,247	283,247
Total Revenue and Other Financing Sources	838,800		838,800	838,800
Expenditures and Other Financing Uses				
Other Purchased Professional Services	7,112	$ 66,283	73,395	73,395
Construction Services		765,405	765,405	765,405
Total Expenditures and Other Financing Uses	7,112	831,688	838,800	838,800
Excess of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	$ 831,688	$ (831,688)	$ -0-	$ -0-

Additional Project Information:	
Project Number(s)	0490-036-23-G5V1
Grant Date(s)	1/25/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 838,800
Percentage Completion	100.00%
Original Target Completion Date	6/30/2026

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOUND BROOK LAFAYETTE ELEMENTARY SCHOOL BOILER PLANT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
State Sources - SDA ROD Grant	$ 642,979		$ 642,979	$ 642,979
Transfer from Capital Outlay	327,821		327,821	327,821
Total Revenue and Other Financing Sources	970,800		970,800	970,800
Expenditures and Other Financing Uses				
Other Purchased Professional Services	8,306	$ 72,594	80,900	80,900
Construction Services		889,900	889,900	889,900
Total Expenditures and Other Financing Uses	8,306	962,494	970,800	970,800
Excess of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	$ 962,494	$ (962,494)	$ -0-	$ -0-

Additional Project Information:	
Project Number(s)	0490-301-23-G5VJ
Grant Date(s)	1/25/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 970,800
Percentage Completion	100.00%
Original Target Completion Date	6/30/2026

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
BOUND BROOK SMALLEY ELEMENTARY SCHOOL BOILER PLANT REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Costs
Revenue and Other Financing Sources:				
State Sources - SDA ROD Grant	$ 1,214,852		$ 1,214,852	$ 1,214,852
Transfer from Capital Outlay	619,388		619,388	619,388
Total Revenue and Other Financing Sources	1,834,240		1,834,240	1,834,240
Expenditures and Other Financing Uses				
Other Purchased Professional Services	14,040	$ 119,600	133,640	133,640
Construction Services		1,700,600	1,700,600	1,700,600
Total Expenditures and Other Financing Uses	14,040	1,820,200	1,834,240	1,834,240
Excess of Revenue and Other Financing Sources over Expenditures and Other Financing Uses	$ 1,820,200	$ (1,820,200)	$ -0-	$ -0-

Additional Project Information:	
Project Number(s)	0490-303-23-G5VK
Grant Date(s)	1/25/24
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 1,834,240
Percentage Completion	100.00%
Original Target Completion Date	6/30/2026

PROPRIETARY FUNDS

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Major Fund Food Service
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 646,371
Intergovernmental Accounts Receivable:	
Federal	89,388
State	5,182
Student Accounts Receivable	120,218
Inventories	28,312
Total Current Assets	889,471
Non-Current Assets:	
Capital Assets	711,644
Less: Accumulated Depreciation	(276,968)
Total Non-Current Assets	434,676
Total Assets	1,324,147
LIABILITIES:	
Current Liabilities:	
Accounts Payable - Vendors	145,468
Interfund Accounts Payable - General Fund	83,766
Unearned Revenue - Prepaid Sales	6,037
Unearned Revenue - Donated Commodities	4,383
Total Current Liabilities	239,654
NET POSITION:	
Investment in Capital Assets	434,676
Unrestricted	649,817
Total Net Position	$ 1,084,493

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Meals	$ 178,601
Daily Sales - Non-Reimbursable Meals	17,742
Other Income	62,434
Total Operating Revenue	258,777
Operating Expenses:	
Cost of Sales - Reimbursable Programs	828,694
Cost of Sales - Non-Reimbursable Programs	82,320
Salaries, Benefits & Payroll Taxes	789,769
Supplies, Insurance & Other Costs	242,543
Management Fee	72,094
Miscellaneous	15,912
Depreciation Expense	45,664
Total Operating Expenses	2,076,996
Operating Loss	(1,818,219)
Non-Operating Revenue:	
Local Sources:	
Interest Income	12,369
State Sources:	
State School Lunch Program	22,930
State School Breakfast Program	5,957
State School Breakfast Program - After the Bell	26,831
Summer Food Service Program	915
New Jersey Expanded Income Eligibility - Breakfast	11,243
New Jersey Expanded Income Eligibility - Lunch	15,671
Federal Sources:	
National School Lunch Program	904,974
School Breakfast Program	600,642
After School Snack Program	12,300
Summer Food Service Program	39,757
Summer - EBT	3,112
Local Food for Schools Cooperative	16,303
Food Distribution Program	120,044
Total Non-Operating Revenue	1,793,048

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund
	Food Service
Change in Net Position Before Other Item and Transfer	$ (25,171)
Other Item and Transfer:	
Transfer Out - General Fund	(12,369)
Disposal of Capital Assets Net of Depreciation	(10,947)
Total Other Item and Transfer	(23,316)
Change in Net Position After Other Items	(48,487)
Net Position - Beginning of Year	1,132,980
Net Position - End of Year	$ 1,084,493

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	$ 248,087
Payments to Food Service Contractor	(1,728,716)
Payments to Salaries - District Employees	(45,351)
Payments to Suppliers	(135,270)
Net Cash Used for Operating Activities	(1,661,250)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	12,369
Net Cash Provided by Investing Activities	12,369
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(65,918)
Net Cash Used for Capital and Related Financing Activities	(65,918)
Cash Flows from Noncapital Financing Activities:	
State Soures	91,771
Federal Sources	1,758,777
Net Cash Provided by Noncapital Financing Activities	1,850,548
Net Increase in Cash and Cash Equivalents	135,749
Cash and Cash Equivalents, July 1	510,622
Cash and Cash Equivalents, June 30	$ 646,371

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund Food Service
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	$ (1,818,219)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	45,664
Food Distribution Program	120,044
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable - Students	(10,976)
(Increase)/Decrease in Inventory	4,896
Increase/(Decrease) in Unearned Revenue - Donated Commodities	(2,528)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	286
Increase/(Decrease) in Accounts Payable	(417)
Net Cash Used for Operating Activities	$ (1,661,250)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received $117,516 and utilized $120,044 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2025.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITY

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
LONG TERM LIABILITIES
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2025 Date	Amount	Interest Rate	Balance July 1, 2024	Retired or Matured	Balance June 30, 2025
School Bonds	12/23/2014	$ 27,140,000	1/15/2026	$ 1,020,000	3.000%			
			1/15/2027	1,060,000	3.000%			
			1/15/2028	1,060,000	2.000%			
			1/15/2029	1,090,000	2.000%			
			1/15/2030	1,100,000	3.000%			
			1/15/2031	1,140,000	3.125%			
			1/15/2032	1,190,000	3.250%			
			1/15/2033	1,250,000	3.250%			
			1/15/2034	1,310,000	3.250%			
			1/15/2035	1,380,000	3.375%			
			1/15/2036	1,390,000	3.375%			
			1/15/2037	1,390,000	3.500%			
			1/15/2038	1,400,000	3.500%			
			1/15/2039	1,420,000	3.625%			
			1/15/2040	1,420,000	3.750%	$ 19,640,000	$ 1,020,000	$ 18,620,000
						$ 19,640,000	$ 1,020,000	$ 18,620,000

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
LONG TERM LIABILITIES
STATEMENT OF OBLIGATIONS UNDER FINANCED PURCHASES

Purpose	Original Issue	Interest Rate	Balance July 1, 2024	Retired or Matured	Balance June 30, 2025
Capital Improvement					
Smalley School Addition	$ 7,000,000	2.35%	$ 650,113	$ 650,113	
			$ 650,113	$ 650,113	$ -0-

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
LONG TERM LIABILITIES
STATEMENT OF OBLIGATIONS UNDER LEASES

Purpose	Original Issue	Interest Rate	Balance July 1, 2024	Issued	Retired or Matured	Balance June 30, 2025
Chromebooks	$ 1,125,640	4.50%		$ 1,125,640	$ 358,824	$ 766,816
			$ -0-	$ 1,125,640	$ 358,824	$ 766,816

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
LONG TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED
INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
BUDGETARY COMPARSION SCHEDULE
DEBT SERVICE FUND
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	$ 777,065		$ 777,065	$ 777,065	
State Sources:					
School Building Aid	886,788		886,788	886,788	
Total Revenues	1,663,853		1,663,853	1,663,853	
EXPENDITURES:					
Regular Debt Service:					
Interest	643,864		643,864	643,863	$ 1
Redemption of Principal	1,020,000		1,020,000	1,020,000	
Total Regular Debt Service	1,663,864		1,663,864	1,663,863	1
Total Expenditures	1,663,864		1,663,864	1,663,863	1
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(11)		(11)	(10)	1
Other Financing Sources:					
Transfers In - Capital Projects Fund				30,592	30,592
Total Other Financing Sources				30,592	30,592
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(11)		(11)	30,582	30,593
Fund Balance, July 1	21		21	21	
Fund Balance, June 30	$ 10	$ -0-	$ 10	$ 30,603	$ 30,593
Recapitulation:					
Restricted				$ 30,603	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities/(Deficit)					
Net Investment in Capital Assets	$ 5,910,924	$ 5,959,764	$ 6,805,233	$ 10,171,912	$ 9,102,266
Restricted	1,734,140	2,300,098	4,183,956	3,300,175	3,270,505
Unrestricted	(6,646,582)	(7,960,143)	(9,295,772)	(9,536,305)	(6,542,643)
Total Governmental Activities Net Position	$ 998,482	$ 299,719	$ 1,693,417	$ 3,935,782	$ 5,830,128
Business-type Activities					
Investment in Capital Assets	$ 401,026	$ 555,675	$ 556,066	$ 618,081	$ 593,891
Unrestricted	272,464	369,283	430,035	273,706	148,395
Total Business-type Activities Net Position	$ 673,490	$ 924,958	$ 986,101	$ 891,787	$ 742,286
District-wide/(Deficit)					
Net Investment in Capital Assets	$ 6,311,950	$ 6,515,439	$ 7,361,299	$ 10,789,993	$ 9,696,157
Restricted	1,734,140	2,300,098	4,183,956	3,300,175	3,270,505
Unrestricted	(6,374,118)	(7,590,860)	(8,865,737)	(9,262,599)	(6,394,248)
Total District Net Position	$ 1,671,972	$ 1,224,677	$ 2,679,518	$ 4,827,569	$ 6,572,414

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	June 30,				
	2021	2022	2023	2024	2025
Governmental Activities/(Deficit)					
Net Investment in Capital Assets	$ 13,492,214	$ 15,107,793	$ 27,295,345	$ 30,453,499	$ 38,275,856
Restricted	4,800,271	8,932,290	8,145,384	12,608,202	18,070,419
Unrestricted	(7,974,649)	(6,798,080)	(6,611,975)	(5,623,423)	(9,794,151)
Total Governmental Activities Net Position	$ 10,317,836	$ 17,242,003	$ 28,828,754	$ 37,438,278	$ 46,552,124
Business-type Activities					
Investment in Capital Assets	$ 569,702	$ 193,747	$ 247,103	$ 425,369	$ 434,676
Unrestricted	260,790	681,926	723,688	707,611	649,817
Total Business-type Activities Net Position	$ 830,492	$ 875,673	$ 970,791	$ 1,132,980	$ 1,084,493
District-wide/(Deficit)					
Net Investment in Capital Assets	$ 14,061,916	$ 15,301,540	$ 27,542,448	$ 30,878,868	$ 38,710,532
Restricted	4,800,271	8,932,290	8,145,384	12,608,202	18,070,419
Unrestricted	(7,713,859)	(6,116,154)	(5,888,287)	(4,915,812)	(9,144,334)
Total District Net Position	$ 11,148,328	$ 18,117,676	$ 29,799,545	$ 38,571,258	$ 47,636,617

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Expenses					
Governmental Activities					
Instruction					
Regular	$ 13,025,688	$ 15,225,678	$ 16,257,390	$ 14,534,183	$ 14,280,864
Special Education	4,203,934	3,945,318	4,279,100	4,470,193	5,504,592
Other Instruction	1,427,274	1,595,820	1,764,401	1,645,515	1,804,379
School-Sponsored Instruction	552,371	520,906	543,194	824,073	747,693
Support Services					
Tuition	1,658,891	1,873,933	1,463,570	1,730,757	1,799,150
Student & Instruction Related Services	4,136,282	4,152,379	4,339,060	5,026,671	5,947,403
General and Business Administrative Services	1,115,262	1,722,079	959,459	726,327	933,937
School Administrative Services	1,900,486	2,359,417	2,267,448	2,362,432	2,510,023
Central Services & Administrative					
Information Technology	938,214	1,159,296	953,909	1,274,615	1,680,552
Plant Operations and Maintenance	2,809,504	2,813,285	2,320,651	2,527,645	2,606,901
Pupil Transportation	689,036	797,625	660,955	749,559	741,171
Charter Schools	81,656	66,431	829,023	35,736	24,810
Capital Outlay	9,836	9,836	114,896	407,927	13,553
Interest on long-term liabilities	893,001	862,331	51,407	793,513	768,903
Total Governmental Activities Expenses	30,569,032	37,104,334	36,804,463	37,109,146	39,363,931
Business-type Activities					
Food Service	1,271,721	1,323,394	1,323,708	1,539,557	1,423,684
Summer Enrichment			725	1,975	836
Summer Sports			750	825	
Total Business-type Activities Expense	1,271,721	1,323,394	1,325,183	1,542,357	1,424,520
Total District Expenses	$ 34,713,156	$ 38,427,728	$ 38,129,646	$ 38,651,503	$ 40,788,451
Program Revenues					
Governmental Activities					
Charges for Services					
Student & Instruction Related Services					
Tuition & Pupil Transportation	$ 1,611,381	$ 1,512,921	$ 1,364,129	$ 1,208,831	$ 1,242,180
Operating Grants and Contributions	9,042,408	11,747,672	12,869,099	11,001,994	11,070,250
Total Governmental Activities Program Revenues	10,653,789	13,260,593	14,233,228	12,210,825	12,312,430
Business-type Activities:					
Charges for Services					
Food Service	230,139	223,500	212,074	248,505	201,469
Summer Enrichment			725	1,975	900
Summer Sports			750	825	
Operating Grants and Contributions	1,128,331	1,177,111	1,179,739	1,196,738	1,072,650
Total Business-type Activities Program Revenues	1,358,470	1,400,611	1,393,288	1,448,043	1,275,019
Total District Program Revenues	$ 12,012,259	$ 14,661,204	$ 15,626,516	$ 13,658,868	$ 13,587,449

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Net (Expense)/Revenue					
Governmental Activities	$(23,843,741)	$(22,571,235)	$(22,571,235)	$(24,898,321)	$(27,051,501)
Business-type Activities	77,217	68,105	68,105	(94,314)	(149,501)
Total District-wide Net Expense	$(23,766,524)	$(22,503,130)	$(22,503,130)	$(24,992,635)	$(27,201,002)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes Levied for General Purposes, Net	$ 13,446,977	$ 14,056,977	$ 13,680,017	$ 13,680,017	$ 13,261,017
Taxes Levied for Debt Service	382,092	382,092	537,092	537,092	537,092
Federal and State aid not restricted	8,149,850	8,183,327	9,605,112	12,625,558	14,571,783
Miscellaneous Income	124,999	696,794	142,487	297,635	232,034
Other Items					
Transfers	(630)	(174,211)	225	384	219
Total Governmental Activities	22,103,288	23,144,979	23,964,933	27,140,686	28,602,145
Business-type Activities					
Investment Earnings		34			
Miscellaneous			185	384	219
Other Items			(6,922)		
Transfers	49,481	630	(225)	(384)	(219)
Total Business-type Activities	49,481	664	(6,962)	-0-	-0-
Total District-wide	$ 22,152,769	$ 23,145,643	$ 23,957,971	$ 27,140,686	$ 28,602,145
Change in Net Position					
Governmental Activities	$ (1,740,453)	$ 573,744	$ 1,393,698	$ 2,242,365	$ 1,550,644
Business-type Activities	126,698	68,769	61,143	(94,314)	(149,501)
Total District	$ (1,613,755)	$ 642,513	$ 1,454,841	$ 2,148,051	$ 1,401,143

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Expenses					
Governmental Activities					
Instruction					
Regular	$ 16,136,795	$ 17,320,231	$ 20,410,873	$ 18,399,140	$ 19,394,247
Special Education	4,244,851	4,698,632	4,815,235	5,271,081	4,572,568
Other Instruction	1,966,138	2,298,237	2,640,184	3,192,203	4,097,280
School-Sponsored Instruction	670,579	776,560	798,646	984,962	1,293,329
Support Services					
Tuition	1,676,168	1,423,741	1,798,550	2,098,735	3,084,444
Student & Instruction Related Services	6,038,563	6,174,874	5,989,864	7,035,518	8,476,562
General and Business Administrative Services	956,909	1,075,880	1,389,094	810,820	1,038,843
School Administrative Services	2,697,602	2,696,081	2,856,780	2,560,931	2,666,334
Central Services & Administrative Information Technology	1,463,018	1,441,795	1,691,766	1,576,948	1,356,558
Plant Operations and Maintenance	2,621,459	2,859,187	3,260,624	4,447,595	4,753,487
Pupil Transportation	544,713	964,963	755,000	1,331,488	1,468,044
Charter Schools	33,082	105,404	336,700	412,018	458,182
Capital Outlay	80,709	9,837	9,836	9,836	9,836
Interest on long-term liabilities	743,469	713,776	688,537	659,788	629,838
Total Governmental Activities Expenses	39,874,055	42,559,198	47,441,689	48,791,063	53,299,552
Business-type Activities					
Food Service	891,588	1,722,461	2,035,650	2,016,479	2,076,996
Summer Enrichment					
Summer Sports					
Total Business-type Activities Expense	891,588	1,722,461	2,035,650	2,016,479	2,076,996
Total District Expenses	$ 40,765,643	$ 44,281,659	$ 49,477,339	$ 50,807,542	$ 55,376,548
Program Revenues					
Governmental Activities					
Charges for Services					
Student & Instruction Related Services	$ 82,753	$ 213,539	$ 326,476	$ 326,476	$ 174,357
Tuition & Pupil Transportation	2,017,529	2,178,696	2,652,901	2,652,901	2,904,548
Operating Grants and Contributions	12,227,633	14,533,262	18,015,979	18,015,979	9,551,194
Total Governmental Activities Program Revenues	14,327,915	16,925,497	20,995,356	20,995,356	12,630,099
Business-type Activities:					
Charges for Services					
Food Service	2,605	115,761	399,625	399,625	258,777
Summer Enrichment					
Summer Sports					
Operating Grants and Contributions	977,189	2,003,647	1,731,207	1,731,207	1,780,679
Total Business-type Activities Program Revenues	979,794	2,119,408	2,130,832	2,130,832	2,039,456
Total District Program Revenues	$ 15,307,709	$ 19,044,905	$ 23,126,188	$ 23,126,188	$ 14,669,555

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Net (Expense)/Revenue					
Governmental Activities	$(25,546,140)	$(25,633,701)	$(26,446,333)	$(35,144,823)	$(40,669,453)
Business-type Activities	88,206	396,947	95,182	162,189	(37,540)
Total District-wide Net Expense	$(25,457,934)	$(25,236,754)	$(26,351,151)	$(34,982,634)	$(40,706,993)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Property Taxes Levied for General Purposes, Net	$ 13,261,017	$ 13,037,373	$ 13,082,282	$ 13,670,661	$ 13,965,571
Taxes Levied for Debt Service	537,092	760,542	746,520	772,124	777,065
Federal and State aid not restricted	15,488,894	19,134,974	23,611,680	28,953,760	34,125,771
Miscellaneous Income	746,829	692,060	583,589	628,178	765,012
Other Items					137,511
Transfers	16	34	9,013	15,794	12,369
Total Governmental Activities	30,033,848	33,624,983	38,033,084	44,040,517	49,783,299
Business-type Activities					
Investment Earnings					
Miscellaneous	16	34	8,949	15,794	12,369
Other Items					(10,947)
Transfers	(16)	(34)	(9,013)	(15,794)	(12,369)
Total Business-type Activities	-0-	-0-	(64)	-0-	(10,947)
Total District-wide	$ 30,033,848	$ 33,624,983	$ 38,033,020	$ 44,040,517	$ 49,772,352
Change in Net Position					
Governmental Activities	$ 4,487,708	$ 7,991,282	$ 11,586,751	$ 8,895,694	$ 9,113,846
Business-type Activities	88,206	396,947	95,118	162,189	(48,487)
Total District	$ 4,575,914	$ 8,388,229	$ 11,681,869	$ 9,057,883	$ 9,065,359

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,				
	2016	2017	2018	2019	2020
General Fund					
Restricted	$ 1,692,891	$ 2,083,212	$ 4,103,782	$ 3,267,593	$ 3,160,048
Assigned	875,872	620,225			
Unassigned / (Deficit)			(438,481)	(383,910)	(856,174)
Total General Fund	$ 2,568,763	$ 2,703,437	$ 3,665,301	$ 2,883,683	$ 2,303,874
All Other Governmental Funds					
Restricted	$ 15,643,721	$ 6,757,778	$ 1,242,839	$ 65,143	$ 130,354
Committed					3,107,012
Unassigned / (Deficit)	(42,678)	(71,598)	(71,350)	(71,704)	(105,860)
Total All Other Governmental Funds/(Deficit)	$ 15,601,043	$ 6,686,180	$ 1,171,489	$ (6,561)	$ 3,131,506
Total Governmental Funds	$ 18,169,806	$ 9,389,617	$ 4,836,790	$ 2,877,122	$ 5,435,380

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	June 30,				
	2021	2022	2023	2024	2025
General Fund					
Restricted	$ 4,676,033	$ 8,818,169	$ 8,047,355	$ 12,503,132	$ 17,945,600
Assigned		470,197			
Unassigned / (Deficit)	313,339		(372,167)	(1,671,315)	(2,443,720)
Total General Fund	$ 4,989,372	$ 9,288,366	$ 7,675,188	$ 10,831,817	$ 15,501,880
All Other Governmental Funds					
Restricted	$ 124,238	$ 114,121	$ 98,029	$ 105,070	$ 124,819
Committed				1,527,178	
Unassigned / (Deficit)	(142,188)	(157,758)	(133,906)	(160,026)	(2,199,716)
Total All Other Governmental Funds/(Deficit)	$ (17,950)	$ (43,637)	$ (35,877)	$ 1,472,222	$ (2,074,897)
Total Governmental Funds	$ 4,971,422	$ 9,244,729	$ 7,639,311	$ 12,304,039	$ 13,426,983

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Revenues:					
Tax Levy	$ 13,829,069	$ 14,439,069	$ 14,217,109	$ 14,217,109	$ 13,798,109
Tuition Charges	1,560,159	1,462,346	1,333,378	1,180,927	1,215,737
Interest Earnings					5,500
Transportation Fees	51,222	50,575	30,751	27,904	26,443
Miscellaneous	147,295	703,422	150,657	312,238	239,052
State Sources	12,409,986	13,071,259	14,908,052	19,516,798	21,836,817
Federal Sources	1,989,233	1,891,421	1,803,398	2,016,129	1,524,999
Total Revenue	29,986,964	31,618,092	32,443,345	37,271,105	38,646,657
Expenditures:					
Instruction					
Regular Instruction	8,516,426	8,981,055	8,974,085	9,380,640	9,292,118
Special Education Instruction	2,857,226	2,311,633	2,504,930	2,962,305	4,117,313
Other Instruction	539,533	554,273	579,886	712,757	763,300
School-Sponsored	552,371	520,906	543,194	824,073	747,693
Support Services					
Tuition	1,658,891	1,873,933	1,463,570	1,730,757	1,799,150
Student & Other Instruction Related Services	2,589,664	2,322,676	2,447,189	3,349,511	3,980,938
School Administrative Services	1,140,120	1,289,527	1,193,250	1,423,881	1,535,414
General & Business Administrative Services	900,363	864,762	777,381	794,333	827,182
Central Services and Administrative Information Technology	668,299	760,823	805,054	1,110,170	1,390,536
Plant Operations and Maintenance	2,207,295	2,072,498	2,251,237	2,346,508	2,405,646
Pupil Transportation	580,826	672,548	587,167	678,151	672,630
Unallocated Benefits	6,520,465	6,799,458	7,086,206	7,840,625	8,382,789

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Expenditures:					
Charter School	$ 81,656	$ 66,431	$ 51,406	$ 35,736	$ 24,810
Capital Outlay	7,966,549	9,422,194	5,837,879	4,137,447	5,883,338
Debt Service:					
Principal	980,000	995,000	1,050,000	1,095,000	830,000
Interest and Other Charges	962,160	876,863	843,963	809,263	779,463
Total Expenditures	38,721,844	40,384,580	36,996,397	39,231,157	43,432,320
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(8,734,880)	(8,766,488)	(4,553,052)	(1,960,052)	(4,785,663)
Other Financing Sources/(Uses)					
Financed Purchases (Non-budgeted)					7,000,000
Leases (Non-budgeted)					
Transfers in			225	384	219
Transfers out	(630)	(13,701)			
Cancellation of Prior Year Accounts Payable					
Total Other Financing Sources/(Uses)	(630)	(13,701)	225	384	7,000,219
Net Change in Fund Balances	$ (8,735,510)	$ (8,780,189)	$ (4,552,827)	$ (1,959,668)	$ 2,214,556
Debt Service as a Percentage of Noncapital Expenditures	6.31%	6.05%	6.08%	5.43%	4.29%

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Revenues:					
Tax Levy	$ 13,798,109	$ 13,797,915	$ 13,828,802	$ 14,442,785	$ 14,742,636
Tuition Charges	2,010,047	2,092,266	2,630,347	2,308,629	2,881,648
Interest Earnings	682	1,374	84,925	118,009	429,144
Transportation Fees	7,482	86,430	22,554	20,174	22,900
Miscellaneous	828,900	884,958	825,140	695,786	514,762
State Sources	24,409,688	30,756,604	35,708,253	41,426,253	47,736,532
Federal Sources	2,050,430	4,020,861	8,436,067	2,128,870	1,164,636
Total Revenue	43,105,338	51,640,408	61,536,088	61,140,506	67,492,258
Expenditures:					
Instruction					
Regular Instruction	10,482,851	12,140,452	14,494,114	13,555,943	14,500,701
Special Education Instruction	2,827,132	3,159,575	3,365,522	3,791,427	3,216,067
Other Instruction	822,902	1,066,868	1,473,564	2,092,650	2,767,733
School-Sponsored	670,579	776,560	798,646	984,962	983,286
Support Services					
Tuition	1,676,168	1,423,741	1,789,550	2,098,735	3,084,444
Student & Other Instruction Related Services	3,855,661	4,129,710	3,946,768	4,859,242	5,944,942
School Administrative Services	1,627,645	1,631,568	1,709,904	1,745,974	1,786,225
General & Business Administrative Services	822,135	958,113	1,059,640	729,740	876,729
Central Services and Administrative Information Technology	1,127,820	1,109,895	1,212,778	1,207,790	1,008,121
Plant Operations and Maintenance	2,392,788	2,545,771	2,739,197	3,814,732	3,846,730
Pupil Transportation	464,697	872,843	667,326	1,248,915	1,293,497
Unallocated Benefits	10,654,626	13,142,543	15,467,676	15,607,345	17,615,765

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
Expenditures:					
Charter School	$ 33,082	$ 105,404	$ 336,700	$ 412,018	$ 458,182
Capital Outlay	4,486,663	2,675,629	12,438,672	2,688,836	8,598,549
Debt Service:					
Principal	870,000	900,000	940,000	980,000	1,020,000
Interest and Other Charges	754,563	728,463	701,462	673,263	643,863
Total Expenditures	43,569,312	47,367,135	63,141,519	56,491,572	67,644,834
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(463,974)	4,273,273	(1,605,431)	4,648,934	(152,576)
Other Financing Sources/(Uses)					
Financed Purchases (Non-budgeted)					
Leases (Non-budgeted)					1,125,640
Transfers in	16	34	34	15,794	12,369
Transfers out					
Cancellation of Prior Year Accounts Payable					137,511
Total Other Financing Sources/(Uses)	16	34	34	15,794	1,275,520
Net Change in Fund Balances	$ (463,958)	$ 4,273,307	$ (1,605,397)	$ 4,664,728	$ 1,122,944
Debt Service as a Percentage of Noncapital Expenditures	4.16%	3.64%	3.24%	3.07%	2.82%

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Tuition Revenue	Transportation	Miscellaneous	Total
2016	$ 2,660	$ 1,560,159	$ 51,222	$ 89,332	$ 1,703,373
2017	2,843	1,462,346	50,575	139,056	1,654,820
2018	9,479	1,333,378	30,751	107,263	1,480,871
2019	29,370	1,180,927	27,904	261,201	1,499,402
2020	20,655	1,215,737	26,443	191,378	1,454,213
2021	894	2,010,047	7,482	745,713	1,454,213
2022	1,528	2,092,266	86,430	671,265	2,764,136
2023	89,668	2,630,347	22,554	493,911	2,764,136
2024	186,088	2,308,629	20,174	442,080	2,956,971
2025	429,144	2,881,648	22,900	305,276	3,638,968

Source: School District of the Borough of Bound Brook records

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,		Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2015		$ 8,766,700	$ 532,596,800	$ 123,755,040	$ 2,822,340	$ 38,877,600	$ 706,818,480	$ 6,142,505	$ 712,960,985	$ 1.841	$ 726,357,795
2016		8,434,300	541,941,300	127,818,640	1,529,000	43,093,500	722,816,740	6,616,694	729,433,434	1.914	739,845,280
2017		10,358,200	531,968,700	131,774,340	1,579,000	47,604,800	723,285,040	6,737,547	730,022,587	1.943	813,165,287
2018		11,818,500	549,295,500	135,118,240	1,599,000	48,061,700	745,892,940	6,904,888	752,797,828	1.869	786,589,320
2019		14,888,800	577,280,600	133,117,340	1,707,500	49,636,700	776,630,940	7,011,604	783,642,544	1.869	823,442,779
2020		17,160,900	612,804,900	143,734,100	1,865,000	50,902,900	826,467,800	7,256,821	833,724,621	1.638	846,700,178
2021	*	18,961,600	692,522,500	143,433,500	1,883,800	68,003,200	924,804,600	7,734,706	932,539,306	1.465	925,759,882
2022		24,907,900	816,769,500	149,352,900	2,031,300	70,681,900	1,063,743,500	7,831,400	1,071,574,900	1.278	1,020,705,319
2023		32,347,100	891,298,300	158,248,600	2,253,800	73,718,500	1,157,866,300	8,293,800	1,166,160,100	1.200	1,123,308,802
2024		36,672,200	955,857,500	168,291,400	2,438,800	80,047,600	1,243,307,500	8,286,100	1,251,593,600	1.156	1,218,525,495

* Revaluation Year

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

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

b Tax rates are per $100 of assessed value.

Source: Municipal Tax Assessor

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per $100 of Assessed Value)

Year Ended December 31,	School District of the Borough of Bound Brook Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service[b]	Total Direct	Municipality	County	
2015	$ 1.790	$ 0.051	$ 1.841	$ 1.069	$ 0.401	$ 3.311
2016	1.863	0.051	1.914	1.068	0.404	3.386
2017	1.870	0.073	1.943	1.065	0.403	3.411
2018	1.798	0.071	1.869	1.052	0.412	3.333
2019	1.796	0.073	1.869	1.049	0.418	3.336
2020	1.574	0.064	1.638	1.048	0.400	3.086
2021 *	1.383	0.082	1.465	0.957	0.391	2.813
2022	1.208	0.070	1.278	0.845	0.365	2.488
2023	1.134	0.066	1.200	0.800	0.358	2.358
2024	1.094	0.062	1.156	0.765	0.348	2.269

* Revaluation Year

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.

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.

Source: Municipal Tax Collector and School Business Administrator

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2025			2015		
	Taxable Assessed	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Bound Brook LLC	$ 38,440,900	3.07%	Bound Brook LLC	$ 22,233,000	3.12%
Middle Brook Center LLC	24,423,000	1.95%	Middle Brook Center LLC	19,019,000	2.67%
Bell Atlantic c/o Duff & Phelps	8,293,800	0.66%	Bell Atlantic	6,616,694	0.93%
Garfield Park Associates LLC	7,392,600	0.59%	Garfield Park Assoc., LLC	4,000,000	0.56%
IH 476, LLC	5,450,000	0.44%	Tomur Realty	3,712,300	0.52%
Somerset Savings & Loan Assoc	4,605,300	0.37%	Bragg-Norton LLC	3,210,000	0.45%
Effinger Plaza LLC	4,603,900	0.37%	Somerset Savings & Loan Assoc	3,012,500	0.42%
Bound Brook Holding LLC	4,189,100	0.33%	Tomur Realty, LLC	2,874,600	0.40%
East Gate Holdings LLC	3,868,900	0.31%	Bound Brook Holdings	2,260,000	0.32%
Effinger Plaza #2 LLC	3,388,600	0.27%	East High Street Properties Inc.	2,200,000	0.31%
Total	$ 104,656,100	8.36%		$ 69,138,094	9.70%

Source: Municipal Tax Assessor

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]	
		Amount	Percentage of Levy
2016	$ 13,829,069	$ 13,829,069	100.00%
2017	14,439,069	14,439,069	100.00%
2018	14,217,109	14,217,109	100.00%
2019	14,217,109	14,217,109	100.00%
2020	13,798,109	13,798,109	100.00%
2021	13,798,109	13,798,109	100.00%
2022	13,797,915	13,797,915	100.00%
2023	13,828,802	13,828,802	100.00%
2024	14,442,785	14,442,785	100.00%
2025	14,742,636	14,742,636	100.00%

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

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income [a]	Per Capita [a]
	General Obligation Bonds	Obligations Under Financed Purchases	Financed Purchases			
2016	$ 27,300,000	$ -0-	$ -0-	$ 27,300,000	3.02%	$ 311.35
2017	26,305,000	500,000	-0-	26,805,000	2.83%	291.62
2018	25,255,000	398,814	-0-	25,653,814	2.60%	266.70
2019	24,160,000	-0-	-0-	24,160,000	2.39%	244.16
2020	23,330,000	5,582,575	-0-	28,912,575	2.80%	284.51
2021	22,460,000	4,392,975	-0-	26,852,975	2.11%	251.09
2022	21,560,000	3,174,824	-0-	24,734,824	1.82%	218.26
2023	20,620,000	1,927,437	-0-	22,547,437	1.51%	186.23
2024	19,640,000	650,113	-0-	20,290,113	1.33%	167.58
2025	18,620,000	-0-	-0-	18,620,000	1.22%	153.79

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

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

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation [a] Taxable	Per Capita [b]
2016	$ 27,300,000	$ - 0 -	$ 27,300,000	3.83%	$ 2,643.81
2017	26,305,000	- 0 -	26,305,000	3.61%	2,551.65
2018	25,255,000	- 0 -	25,255,000	3.46%	2,458.86
2019	24,160,000	- 0 -	24,160,000	3.21%	2,366.77
2020	23,330,000	- 0 -	23,330,000	2.98%	2,296.49
2021	22,460,000	- 0 -	22,460,000	2.69%	1,884.39
2022	21,560,000	- 0 -	21,560,000	2.31%	1,801.02
2023	20,620,000	- 0 -	20,620,000	1.92%	1,666.80
2024	19,640,000	- 0 -	19,640,000	1.68%	1,553.43
2025	18,620,000	- 0 -	18,620,000	1.49%	1,472.75

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

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

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

Source: School District Financial Reports

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Borough of Bound Brook	$ 26,872,272	100.00%	$ 26,872,272
Somerset County General Obligation Debt	295,206,531	1.55%	4,584,450
Subtotal, Overlapping Debt			31,456,722
Bound Brook School District Direct Debt			19,640,000
Total Direct and Overlapping Debt			$ 51,096,722

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

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

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized valuation basis
2022	1,063,530,794
2023	1,168,381,736
2024	1,275,972,393
	$ 3,507,884,923
Average Equalized Valuation of Taxable Property	$ 1,169,294,974
Debt Limit (4% of average equalization value)	46,771,799
Net Direct School Debt	18,620,000
Legal Debt Margin	$ 28,151,799

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	$ 29,201,843	$ 29,312,284	$ 30,402,241	$ 31,281,121	$ 32,336,845
Total Net Debt Applicable to Limit	27,300,000	26,305,000	25,255,000	24,160,000	23,330,000
Legal Debt Margin	$ 1,901,843	$ 3,007,284	$ 5,147,241	$ 7,121,121	$ 9,006,845
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	93.49%	89.74%	83.07%	77.24%	72.15%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	$ 33,087,158	$ 35,061,060	$ 38,410,930	$ 42,486,670	$ 46,771,799
Total Net Debt Applicable to Limit	22,460,000	21,560,000	20,620,000	19,640,000	18,620,000
Legal Debt Margin	$ 10,627,158	$ 13,501,060	$ 17,790,930	$ 22,846,670	$ 28,151,799
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	67.88%	61.49%	53.68%	46.23%	39.81%

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

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population [a]	Borough of Bound Brook Personal Income [b]	Somerset County Per Capita Personal Income [c]	Unemployment Rate [d]
2016	10,326	$ 905,414,658	$ 87,683	4.3%
2017	10,309	947,562,044	91,916	4.3%
2018	10,271	987,977,761	96,191	4.1%
2019	10,208	1,010,091,808	98,951	3.5%
2020	10,159	1,032,388,057	101,623	9.2%
2021	11,919	1,274,689,374	106,946	5.9%
2022	11,971	1,356,613,575	113,325	3.5%
2023	12,371	1,497,831,196	121,076	4.2%
2024	12,643	1,530,763,868 ***	121,076 *	3.8%
2025	12,643 **	1,530,763,868 ***	121,076 *	N/A

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

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

*** - Latest Borough personal income available (2023) and latest population data available (2024) were used for calculation purposes.

N/A - Not Available

Source:

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

[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 2000 Census published by the US Bureau of Economic Analysis.

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF SOMERSET
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2025		
Employer	Employees	Rank	Percentage of Total Employment
NOT AVAILABLE			

	2016		
Employer	Employees	Rank	Percentage of Total Employment
NOT AVAILABLE			

N/A - Not Available

Source: Somerset County Business Partnership Website

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	108.9	114.6	102.4	105.7	120.0	117.9	113.9	143.9	158.0	161.0
Special education	26.6	28.2	29.0	32.8	33.9	45.3	34.3	34.0	48.0	37.0
Other special education	10.1	9.6	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	16.5	16.2	14.7	20.6	25.0	29.0	29.0	37.0	35.0	46.0
Student and instruction related services	40.4	33.3	28.3	34.3	39.0	41.0	45.0	45.0	44.0	54.0
General administrative services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
School administrative services	14.2	14.7	13.7	15.7	17.5	18.0	19.0	22.0	21.0	22.0
Business administrative services	5.6	6.8	7.3	9.0	9.0	8.0	8.0	10.0	9.0	8.0
Plant operations and maintenance	22.0	22.0	10.3	12.3	11.0	17.0	12.0	12.0	11.0	9.0
Pupil transportation	3.4	3.4	3.4	3.0	5.7	6.0	8.4	10.0	7.7	11.0
Total	251.7	252.8	223.1	237.4	265.1	286.2	273.6	317.9	337.7	351.0

Source: School District of the Borough of Bound Brook Personnel Records

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN 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
						Elementary	Middle/High				
2016	1,832	$ 28,813,135	$ 15,728	3.98%	142	1:12.2	1:13.7	1,835.9	1,754.3	1.84%	95.56%
2017	1,888	29,090,523	15,408	-2.03%	152	1:11.9	1:12.6	1,879.6	1,783.8	2.38%	94.90%
2018	1,883	29,264,555	15,541	0.87%	145	1:12.3	1:14.1	1,884.1	1,789.3	0.24%	94.97%
2019	1,893	32,184,653	17,002	9.40%	159	1:10.9	1:13.1	1,904.7	1,806.6	1.09%	94.85%
2020	1,978	35,939,429	18,170	6.87%	154	1:15.22	1:10.54	1,994.2	1,916.9	4.70%	96.12%
2021	1,940	37,458,086	19,308	6.27%	154	1:15.22	1:10.54	1,912.6	1,830.7	-4.09%	95.72%
2022	1,942	34,963,043	18,004	-6.76%	184	1:15.22	1:10.54	1,950.2	1,812.5	1.97%	92.94%
2023	2,031	49,070,385	24,161	34.20%	211	1:11.24	1:11.25	2,032.2	1,902.6	4.20%	93.62%
2024	2,067	52,149,474	25,230	4.42%	231	1:10.30	1:11.99	2,070.1	1,949.7	1.86%	94.18%
2025	2,191	57,382,422	26,190	3.81%	244	1:8.6	1:10.23	2,017.3	1,890.8	-2.55%	93.73%

Note: Enrollment based on annual October 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 The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.

Source: Borough of Bound Brook District Records

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary School										
LaMonte Elementary (1913)										
Square Feet	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800
Capacity (students)	139	139	139	139	139	139	139	139	139	139
Enrollment	186	155	149	154	155	147	118	131	135	67
LaMonte Annex (2006)										
Square Feet	30,240	30,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240	20,240
Capacity (students)	256	256	256	256	256	256	256	256	256	256
Enrollment	218	234	238	243	244	231	120	128	132	212
Lafayette Elementary (1962)										
Square Feet	39,640	39,640	39,640	39,640	39,640	39,640	39,640	39,640	39,640	39,640
Capacity (students)	266	266	866	866	866	866	866	866	866	866
Enrollment	264	293	282	263	294	298	252	248	247	250
Smalley Elementary School (1957)										
Square Feet	42,877	42,877	42,877	42,877	42,877	42,877	42,877	42,877	42,877	42,877
Capacity (students)	356	356	356	356	356	356	356	356	356	356
Enrollment	373	373	377	397	357	345	552	561	562	599
Middle School										
Community Middle School (2014) *										
Square Feet	44,937	44,937	44,937	44,937	44,937	44,937	44,937	44,937	44,937	44,937
Capacity (students)	335	335	335	335	335	335	335	335	335	335
Enrollment	227	240	251	255	338	339	299	286	288	348
High School										
Bound Brook High School (1907)										
Square Feet	119,595	119,595	119,595	119,595	119,595	119,595	119,595	119,595	119,595	119,595
Capacity (students)	869	869	869	869	869	869	869	869	869	869
Enrollment	564	593	586	581	590	580	601	643	703	715
Board of Education Administrative Building (2017)										
Square Feet		1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649

Number of Schools at June 30, 2025
- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Other = 1

Source: District Facilities Office

* - The Community Municipal School was acquired as part of the referendum approved by the voters in 2014 and became operational in 2016.

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Fiscal Year Ended June 30,	Bound Brook High School	Lafayette Elementary School	LaMonte Elementary School	Smalley Elementary School	LaMonte School Annex	Community Middle School	Administration Building	Total
2016	$ 184,406	$ 52,251	$ 39,385	$ 87,808	$ 38,526	$ 53,963		$ 456,339
2017	136,508	57,740	63,970	52,618	50,855	73,623	$ 6,594	441,908
2018	138,566	58,283	53,793	58,793	29,412	51,170	5,455	395,472
2019	166,400	60,396	45,814	60,695	45,185	62,739	5,503	446,732
2020	128,762	73,335	43,431	69,473	43,431	81,753	395	440,580
2021	130,830	76,693	45,114	72,182	67,671	54,136	4,511	451,137
2022	147,703	45,882	28,607	126,976	42,911	54,762		446,841
2023	149,363	100,881	96,447	97,337	88,750	93,225	3,272	629,275
2024	302,075	119,545	72,572	168,723	82,932	122,050	4,430	872,327
2025	225,622	110,659	99,227	139,267	117,157	142,821	5,178	839,931

* 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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
UNAUDITED

	Coverage	Deductible
School Package Policy		
New Jersey Schools Insurance Group		
Package Policy:		
Blanket Real and Personal Property	$ 101,932,602	$ 5,000
Comprehensive General Liability	31,000,000	
Equipment Breakdown	100,000,000	25,000
Crime Coverage:		
Employee Dishonesty with Faithful Performance	1,000,000	1,000
Money and Securities	50,000	1,000
Theft Disappearance and Destruction - Loss of Money & Securites o	50,000	1,000
Forgery or Alteration	1,000,000	1,000
Computer Fraud	1,000,000	1,000
Automobile Liability	31,000,000	
Automobile Physical Damage Deductibles		1,000
School Board Legal Liability	31,000,000	25,000
Workers Compensation	3,000,000	
Supplemental Indemnity (Chubb Insurance Company)	2,500/Week	
Cyber Liability (NJSIG)	2,000,000	25,000/250,000
330 W 2nd Street		
50 W High Street	500,000	1,250
337 W 2nd Street	500,000	1,250
330 W 2nd Street	500,000	1,250
120 E. 2nd Street	500,000	1,250
Excess Liability (Fireman's Fund CAP Program)	25,000,000	
Student Accident (Bollinger		
Accident Medical Class I	25,000	
Accident Medical Class II	6,000,000	25,000
Accident Medical Class III & IV	50,000	
Selective Insurance Company		
Surety Bonds:		
Board Secretary/Business Administrator		
Treasurer of School Moneys	350,000	
	350,000	
Environmental (add'l mold)		
Beazley	1,000,000/1,000,000	10,000

Source: District's Records

SINGLE AUDIT SECTION

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Bridgewater, NJ

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Independent Member
BKR International

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Borough of Bound Brook School District
County of Somerset, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities and each major fund of the Bound Brook School District (the "District"), in the County of Somerset, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nisivoccia LLP

November 20, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP

Valerie A Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Borough of Bound Brook School District
County of Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Nisivoccia LLP
NISIVOCCIA LLP

November 20, 2025
Mount Arlington, New Jersey

Valerie A Dolan
Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2025 Budgetary Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	Balance at June 30, 2025 Due to Grantor	Amounts Provided to Subrecipients
Special Revenue Fund:													
Elementary and Secondary Education Act													
Title I	84.010A	ESEA049024	7/1/24-9/30/25	$ 559,045			$ 409,926	$ (416,788)		$ (6,862)			
Title I	84.010A	ESEA049023	7/1/23-9/30/24	613,381	$ (145,995)		146,394					$ 399	
Total Title I					(145,995)		556,320	(416,788)		(6,862)		399	
Title II, Part A	84.367A	ESEA049025	7/1/24-9/30/25	65,178			60,665	(63,890)		(3,225)			
Title II, Part A	84.367A	ESEA049024	7/1/23-9/30/24	66,312	(23,297)		30,436					7,139	
Total Title II, Part A					(23,297)		91,101	(63,890)		(3,225)		7,139	
Title III	84.365A	ESEA049023	7/1/24-9/30/25	93,533			82,455	(82,455)					
Title III	84.365A	ESEA049023	7/1/23-9/30/24	95,959	(32,216)		42,623					10,407	
Title III - Immigrant	84.365A	ESEA049023	7/1/24-9/30/25	15,912				(1,694)		(1,694)			
Title III - Immigrant	84.365A	ESEA049023	7/1/23-9/30/24	23,463	(20,344)		20,344						
Total Title III					(52,560)		145,422	(84,149)		(1,694)		10,407	
Title IV	84.424A	ESEA049024	7/1/24-9/30/25	48,229			8,099	(8,099)					
Title IV	84.424A	ESEA049023	7/1/23-9/30/24	62,599	(34,166)		34,166						
Total Title IV					(34,166)		42,265	(8,099)					
Subtotal Elementary and Secondary Education Act					(256,018)		835,108	(572,926)		(11,781)		17,945	
Education Stabilization Fund:													
COVID-19 - ARP:													
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	204,858	(27,927)		10,325		$ 17,602				
Evidence Based Summer Learning	84.425U	S425D210027	3/13/20-9/30/24	40,000	(23,773)		29,787	(6,014)					
Evidence Based Beyond the School Day	84.425U	S425D210027	3/13/20-9/30/24	40,000			13,465	(13,465)					
Total Education Stabilization Fund					(51,700)		53,577	(19,479)	17,602				
Special Education Cluster (IDEA)													
I.D.E.A. Part B, Basic	84.027	IDEA049025	7/1/24-9/30/25	553,695			526,000	(526,000)					
I.D.E.A. Part B, Basic	84.027	IDEA049024	7/1/23-9/30/24	554,592	(214,735)		214,735					58	
I.D.E.A. Part B, Preschool	84.173	IDEA049025	7/1/24-9/30/25	18,122				(8,573)		(8,573)			
I.D.E.A. Part B, Preschool	84.173	IDEA049024	7/1/23-9/30/24	18,666	(719)		719						
Total Special Education Cluster (IDEA)					(215,454)		741,454	(534,573)		(8,573)		58	

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2025 Budgetary Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	Balance at June 30, 2025 Due to Grantor	Amounts Provided to Subrecipients
U.S. Department of Treasury													
COVID 19 - ACSERS	21.027	SLFRFDOEISES	7/1/23-6/30/24	$ 183,969	$ (91,984)		$ 91,984						
Total U.S. Department of Treasury					(91,984)		91,984						
Total Special Revenue Fund					(615,156)		1,722,123	$ (1,126,978)	$ 17,602	$ (20,354)		$ 18,003	
General Fund:													
U.S. Department of Health and Human Services:													
Medicaid Cluster:													
Medicaid Assistance Program	93.778	N/A	7/1/24-6/30/25	37,658			37,658	(37,658)					
Total U.S. Department of Health and Human Services							37,658	(37,658)					
Total General Fund							37,658	(37,658)					
Enterprise Fund: U.S. Department of Agriculture Passed Through State Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	117,516			117,516	(113,133)			$ 4,383		
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	144,698		$ 6,911		(6,911)					
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	904,974			858,120	(904,974)		(46,854)			
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	891,992	$ (161,388)		161,388						
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	600,642			558,108	(600,642)		(42,534)			
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	563,596	(109,621)		109,621						
After School Snack	10.555	N/A	7/1/24-6/30/25	12,300			12,300	(12,300)					
After School Snack	10.555	N/A	7/1/23-6/30/24	13,104	(68)		68						
Summer Food Service Program for Children	10.559	N/A	7/1/24-6/30/25	39,757			39,757	(39,757)					
Total Child Nutrition Cluster					(271,077)	6,911	1,856,878	(1,677,717)		(89,388)	4,383		
Summer Electronic Benefit Transfer	10.649	N/A	7/1/23-6/30/24	3,112			3,112	(3,112)					
Local Food For Schools Cooperative	10.185	N/A	7/1/23-6/30/24	16,303			16,303	(16,303)					
Total U.S. Department of Agriculture/ Enterprise Fund					(271,077)	6,911	1,876,293	(1,697,132)		(89,388)	4,383		
Total Federal Awards					$ (886,233)	$ 6,911	$ 3,636,074	$ (2,861,768)	$ 17,602	$ (109,742)	$ 4,383	$ 18,003	$ -0-

N/A - Not Applicable/Available

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 GAAP Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	MEMO Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
New Jersey Department of Education											
General Fund:											
Categorical Special Education Aid	25-495-034-5120-089	7/1/24 - 6/30/25	$ 2,241,787			$ 2,017,956	$ (2,241,787)			$ (223,831)	$ 2,241,787
Equalization Aid	25-495-034-5120-078	7/1/24 - 6/30/25	31,381,837			28,248,518	(31,381,837)			(3,133,319)	31,381,837
Categorical Security Aid	25-495-034-5120-084	7/1/24 - 6/30/25	1,049,044			944,302	(1,049,044)			(104,742)	1,049,044
School Choice Aid	25-495-034-5120-068	7/1/24 - 6/30/25	126,344			113,729	(126,344)			(12,615)	126,344
Categorical Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	155,401			139,885	(155,401)			(15,516)	155,401
Extraordinary Aid	25-495-034-5120-044	7/1/24 - 6/30/25	357,798				(357,798)	$ (357,798)		(357,798)	357,798
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24 - 6/30/25	1,452,314			1,376,977	(1,452,314)	(75,337)		(75,337)	1,452,314
Categorical Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	1,574,377	$ (157,226)		157,226					1,574,377
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	27,742,287	(2,770,505)		2,770,505					27,742,287
Categorical Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	784,650	(78,360)		78,360					784,650
Menstrual Product Reimbursement	N/A	7/1/24 - 6/30/25	3,661				(3,661)	(3,661)		(3,661)	3,661
School Choice Aid	24-495-034-5120-068	7/1/23 - 6/30/24	86,598	(8,648)		8,648					86,598
Categorical Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	124,699	(12,453)		12,453					124,699
Extraordinary Aid	24-495-034-5120-044	7/1/23 - 6/30/24	467,200	(467,200)		467,200					467,200
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	1,331,676	(66,914)		66,914					1,331,676
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	1,804,605			1,804,605	(1,804,605)				1,804,605
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24 - 6/30/25	6,100,341			6,100,341	(6,100,341)				6,100,341
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	75,567			75,567	(75,567)				75,567
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	4,700			4,700	(4,700)				4,700
Total General Fund				(3,561,306)		44,387,886	(44,753,399)	(436,796)		(3,926,819)	77,255,604
Special Revenue Fund											
Preschool Education Aid	25-495-034-5120-025	7/1/24 - 6/30/25	2,050,796			1,846,034	(1,130,994)		$ 919,802	(204,762)	1,130,994
Preschool Education Aid	24-495-034-5120-025	7/1/23 - 6/30/24	1,602,405	(160,026)	$ 563,134	160,026			563,134		1,039,271
Preschool Education Aid	23-495-034-5120-025	7/1/22 - 6/30/23	1,340,688		388,876		(388,876)				1,340,688
				(160,026)	952,010	2,006,060	(1,519,870)		1,482,936	(204,762)	3,510,953
School Development Authority -											
Emergent and Capital Maintenance Needs	23-100-034-5120-519	7/1/23 - 6/30/25	98,654		9,121		(9,121)				98,654
Total Special Revenue Fund				(160,026)	961,131	2,006,060	(1,528,991)		1,482,936	(204,762)	3,609,607
Capital Projects Fund:											
NJ School Development Authority:											
Bound Brook High School Boiler Replacement	N/A	7/1/23 - 6/30/26	656,491				(262,596)	(262,596)		(656,491)	
Lamonte Annex Elementary School Boiler Replacement	N/A	7/1/23 - 6/30/26	555,553				(222,221)	(222,221)		(555,553)	
Lafayette Elementary School Boiler Replacement	N/A	7/1/23 - 6/30/26	642,979				(257,192)	(257,192)		(642,979)	
Smalley Elementary School Boiler Replacement	N/A	7/1/23 - 6/30/26	1,214,852				(332,912)	(332,912)		(1,214,852)	
Total Capital Projects Fund							(1,074,921)	(1,074,921)		(3,069,875)	
Debt Service Fund:											
School Building Aid	25-495-034-5120-017	7/1/24 - 6/30/25	886,788			886,788	(886,788)				886,788
Total Debt Service Fund						886,788	(886,788)				886,788
Total New Jersey Department of Education				(3,721,332)	961,131	47,280,734	(48,244,099)	(1,511,717)	1,482,936	(7,201,456)	81,751,999

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024 Budgetary Accounts Receivable	Balance at June 30, 2024 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Balance at June 30, 2025 GAAP Accounts Receivable	Balance at June 30, 2025 Budgetary Unearned Revenue	MEMO Budgetary Accounts Receivable	MEMO Cumulative Total Expenditures
New Jersey Department of Agriculture:											
Enterprise Fund:											
State Supplement for Summer Food Service Programs	25-495-010-3350-005	7/1/24 - 6/30/25	$ 915			$ 915	$ (915)				$ 915
State School Lunch Program	25-100-010-3350-023	7/1/24 - 6/30/25	22,930			21,760	(22,930)	$ (1,170)		$ (1,170)	22,930
State School Lunch Program	24-100-010-3350-023	7/1/23 - 6/30/24	25,966	$ (4,609)		4,609					25,966
State School Breakfast Program	25-100-010-3350-023	7/1/24 - 6/30/25	5,957			5,570	(5,957)	(387)		(387)	5,957
State School Breakfast Program	24-100-010-3350-023	7/1/23 - 6/30/24	7,106	(1,342)		1,342					7,106
State School Breakfast Program - After the Bell	25-100-010-3350-023	7/1/24 - 6/30/25	26,831			24,942	(26,831)	(1,889)		(1,889)	26,831
State School Breakfast Program - After the Bell	24-100-010-3350-023	7/1/23 - 6/30/24	27,532	(5,202)		5,202					27,532
New Jersey Expanded Income Eligibility - Lunch	25-100-010-3350-023	7/1/24 - 6/30/25	15,671			14,829	(15,671)	(842)		(842)	15,671
New Jersey Expanded Income Eligibility - Lunch	24-100-010-3350-023	7/1/23 - 6/30/24	8,116	(1,332)		1,332					8,116
New Jersey Expanded Income Eligibility - Breakfast	24-495-010-3350-006	7/1/24 - 6/30/25	11,243			10,349	(11,243)	(894)		(894)	11,243
New Jersey Expanded Income Eligibility - Breakfast	24-495-010-3350-006	7/1/23 - 6/30/24	4,387	(921)		921					4,387
Total Enterprise Fund				(13,406)		91,771	(83,547)	(5,182)		(5,182)	156,654
Total New Jersey Department of Agriculture				(13,406)		91,771	(83,547)	(5,182)		(5,182)	156,654
Total State Awards Subject to Single Audit Determination				$ (3,734,738)	$ 961,131	$ 47,372,505	$ (48,327,646)	$ (1,516,899)	$ 1,482,936	$ (7,206,638)	$ 81,908,653
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	(1,804,605)				$ 1,804,605				
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24 - 6/30/25	(6,100,341)				6,100,341				
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	(75,567)				75,567				
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	(4,700)				4,700				
Subtotal - On-Behalf TPAF Pension System Contribution							7,985,213				
Total State Awards Subject to Single Audit Major Program Determination							$ (40,342,433)				

N/A - Not Applicable/Available

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($462,831) for the general fund and ($44,736) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund	$ 37,658	$ 44,290,568	$ 44,328,226
Special Revenue Fund	1,126,978	1,484,255	2,611,233
Capital Projects Fund		1,074,921	1,074,921
Debt Service Fund		886,788	886,788
Food Service Fund	1,697,132	83,547	1,780,679
Total Awards	$ 2,861,768	$ 47,820,079	$ 50,681,847

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANT

The District has been awarded for grants in the amount of $3,069,875 which are recorded in the Capital Projects Fund from the New Jersey Schools Development Authority (NJSDA) under the Educational Faculties Construction and Financing Act. As of June 30, 2025, $1,074,921 of the grants have been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.			Unmodified	
Internal control over financial reporting:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:			Unmodified	
Internal control over major programs:				
1.) Material weakness identified?		Yes	X	No
2.) Significant deficiencies identified?		Yes	X	None reported
Noncompliance material to basic financial statements noted?		Yes	X	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Child Nutrition Program:					
Federal Food Distribution Program	10.555	7/1/24	6/30/25	$ 117,516	$ 113,133
Federal Food Distribution Program	10.555	7/1/23	6/30/24	144,698	6,911
National School Lunch Program	10.555	7/1/24	6/30/25	904,974	904,974
School Breakfast Program	10.555	7/1/24	6/30/25	600,642	600,642
Summer Food Service Program for Children	10.559	7/1/24	6/30/25	39,757	39,757
After School Snack	10.555	7/1/24	6/30/25	12,300	12,300

Dollar threshold used to distinguish between Type A and B programs			$ 750,000	
Auditee qualified as low-risk auditee?	X	Yes		No

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Awards

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

Internal control over major programs:

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

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

		Yes	X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period Start	Grant Period End	Award Amount	Budgetary Expenditures
Equalization Aid	25-495-034-5120-078	7/1/24	6/30/25	$ 31,381,837	$ 31,381,837
Categorical Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	2,241,787	2,241,787
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	1,049,044	1,049,044
School Choice Aid	25-495-034-5120-068	7/1/24	6/30/25	126,344	126,344
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24	6/30/25	1,452,314	1,452,314

Dollar threshold used to distinguish between Type A and B programs $ 1,210,273

Auditee qualified as low-risk auditee?	X	Yes		No

Section II - Financial Statement Findings - N/A

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

BOROUGH OF BOUND BROOK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year findings.