

**METUCHEN SCHOOL DISTRICT  
SYNOPSIS OF AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Prepared by: Business Office**

**Vincent Caputo  
Superintendent**  
**Michael Harvier  
Business Administrator/ Board Secretary**



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Metuchen School District  
County of Middlesex  
Metuchen, New Jersey 08840

### **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 Borough of Metuchen School District, in the County of Middlesex, State of New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities 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 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, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 and provisions 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.

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### ***Responsibilities of Management for the Financial Statements***

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

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

### ***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 generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 22, 2025

METUCHEN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

|   | GENERAL FUND     | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL GOVERNMENTAL FUNDS |
|---|------------------|----------------------|-----------------------|-------------------|--------------------------|
| <b>ASSETS:</b>  |                  |                      |                       |                   |                          |
| Assets:   |                  |                      |                       |                   |                          |
| Cash and cash equivalents                                   | \$ 15,946,026.58 | \$ 314,137.28        | \$ 33,089,363.36      | \$ 15,539.16      | \$ 49,365,066.38         |
| Accounts receivable:  |                  |                      |                       |                   |                          |
| State   | 650,518.44       | 1,128.60             | 41,713.74             |                   | 693,360.78               |
| Federal   |                  | 255,490.16           |                       |                   | 255,490.16               |
| Other   |                  | 40,699.00            |                       |                   | 40,699.00                |
| Interfunds  | 123,701.00       | 2.14                 | 4,038,147.71          | 9,186.38          | 4,171,037.23             |
| Total assets  | \$ 16,720,246.02 | \$ 611,457.18        | \$ 37,169,224.81      | \$ 24,725.54      | \$ 54,525,653.55         |
| <b>LIABILITIES AND FUND BALANCES:</b>                       |                  |                      |                       |                   |                          |
| Liabilities:  |                  |                      |                       |                   |                          |
| Accounts payable  | \$ 132,030.48    | \$ 43,341.22         | \$                    | \$                | \$ 175,371.70            |
| Interfunds payable  | 4,047,336.23     |                      |                       |                   | 4,047,336.23             |
| Payroll liabilities payable                                 | 255,884.01       |                      |                       |                   | 255,884.01               |
| Unemployment liabilities payable                            | 81,247.87        |                      |                       |                   | 81,247.87                |
| Payable to state government                                 |                  | 43,922.00            |                       |                   | 43,922.00                |
| Total liabilities   | \$ 4,516,498.59  | \$ 87,263.22         | \$                    | \$                | \$ 4,603,761.81          |
| Fund balances:  |                  |                      |                       |                   |                          |
| Restricted for:   |                  |                      |                       |                   |                          |
| Capital reserve account                                     | \$ 4,781,459.72  | \$                   | \$                    | \$                | \$ 4,781,459.72          |
| Emergency reserve account                                   | 13,176.27        |                      |                       |                   | 13,176.27                |
| Maintenance reserve account                                 | 1,171,413.76     |                      |                       |                   | 1,171,413.76             |
| Unemployment  | 377,158.87       |                      |                       |                   | 377,158.87               |
| Student Activities & Scholarships                           |                  | 524,193.96           |                       |                   | 524,193.96               |
| Excess surplus-current year                                 | 1,600,000.00     |                      |                       |                   | 1,600,000.00             |
| Excess surplus designated for subsequent years expenditures | 2,609,555.50     |                      |                       |                   | 2,609,555.50             |
| Capital projects  |                  |                      | 37,169,224.81         |                   | 37,169,224.81            |
| Debt service  |                  |                      |                       | 10,355.54         | 10,355.54                |
| Assigned for:   |                  |                      |                       |                   |                          |
| Designated for subsequent years expenditures                |                  |                      |                       | 14,370.00         | 14,370.00                |
| Assigned for:   |                  |                      |                       |                   |                          |
| Year-end encumbrances                                       | 346,850.99       |                      |                       |                   | 346,850.99               |
| Unassigned  | 1,304,132.32     |                      |                       |                   | 1,304,132.32             |
| Total fund balances   | \$ 12,203,747.43 | \$ 524,193.96        | \$ 37,169,224.81      | \$ 24,725.54      | \$ 49,921,891.74         |
| Total liabilities and fund balances                         | \$ 16,720,246.02 | \$ 611,457.18        | \$ 37,169,224.81      | \$ 24,725.54      | \$ 54,525,653.55         |

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

EXHIBIT "B-1"  
SHEET #2

METUCHEN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

Total Fund Balances (Brought Forward) \$ 49,921,891.74

Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

|                          |                        |
|--------------------------|------------------------|
| Cost of Assets           | \$ 129,451,545.45      |
| Accumulated Depreciation | <u>(44,621,957.00)</u> |
|                          | 84,829,588.45          |

Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.

|                              |                       |
|------------------------------|-----------------------|
| Serial bonds payable, net    | \$ (84,725,604.00)    |
| Net pension liability        | (6,058,607.00)        |
| Compensated absences payable | <u>(2,540,212.74)</u> |
|                              | (93,324,423.74)       |

Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.

Deferred outflows:  
Pension related \$ 921,555.00

Deferred inflows:  
Pension related (578,489.00)

Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

|                                   |                       |
|-----------------------------------|-----------------------|
| Account payable - pension related | \$ (595,582.00)       |
| Accrued Interest Payable          | <u>(1,543,272.71)</u> |
|                                   | (2,138,854.71)        |

Net Positions of Governmental Activities \$ 39,631,267.74