

**SCHOOL DISTRICT
OF
JEFFERSON TOWNSHIP**

**Jefferson Township School District
Jefferson Township, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Jefferson Township School District

Jefferson Township, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Jefferson Township School District
Business Office**

JEFFERSON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION.....8

Independent Auditors' Report	9
------------------------------------	---

Required Supplementary Information	12
Management's Discussion and Analysis.....	13

Basic Financial Statements (Sections A. and B.)	20
---	----

A. District-Wide Financial Statements	21
A-1 Statement of Net Position.....	22
A-2 Statement of Activities.....	23

B. Fund Financial Statements.....	25
B-1 Balance Sheet – Governmental Funds	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	27
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
B-4 Statement of Net Position – Proprietary Funds.....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	32
B-6 Statement of Cash Flows – Proprietary Funds	33

Notes to Basic Financial Statements.....	34
--	----

Required Supplementary Information	73
--	----

L. Schedules Related to Accounting and Reporting for Pensions	74
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System	74
L-2 Schedule of District Contributions – Public Employees Retirement System.....	75
L-3 Schedule of State Proportionate Share of the Net Pension Liability Attributable to the District - Teachers' Pension and Annuity Fund	76
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	77
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability/ Attributable to the District and Related Ratios	78
Notes to Required Supplementary Information	79

JEFFERSON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

FINANCIAL SECTION (Cont'd)

C. Budgetary Comparison Schedules	80
C-1 Budgetary Comparison Schedule – General Fund	81
C-2 Budgetary Comparison Schedule – Special Revenue Fund	96
C-3 Required Supplementary Information – Budget Comparison Schedule	97

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	99
E. Special Revenue Fund.....	100
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	101
E-2 Preschool Education Aid Budgetary Basis.....	104
F. Capital Projects Fund.....	105
F-1 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis	106
F-1a Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Upgrading of Existing Facilities	107
F-1b Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Roof Replacement at White Rock School.....	108
G. Proprietary Funds.....	109
Enterprise Fund	
G-1 Statement of Net Position	110
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position	111
G-3 Statement of Cash Flows	112
H. Fiduciary Activities (Not Applicable)	113
I. Long-Term Liabilities	114
I-1 Schedule of Serial Bonds	115
I-2 Schedule of Obligations Under Financed Purchases.....	116
I-3 Schedule of Obligations Under Leases (Not Applicable)	
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule	117
J. STATISTICAL SECTION (Unaudited)	118
Statistical Schedules	
J-1 Net Position by Component	119
J-2 Changes in Net Position	120
J-3 Fund Balances – Governmental Funds.....	123
J-4 Changes in Fund Balances – Governmental Funds.....	124
J-5 General Fund Other Local Revenue by Source.....	126
J-6 Assessed Value and Actual Value of Taxable Property.....	127
J-7 Direct and Overlapping Property Tax Rates	128
J-8 Principal Property Taxpayers	129

JEFFERSON TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

STATISTICAL SECTION (Unaudited) (Cont'd)

J-9	Property Tax Levies and Collections	130
J-10	Ratios of Outstanding Debt by Type	131
J-11	Ratios of Net General Bonded Debt Outstanding	132
J-12	Ratios of Overlapping Governmental Activities Debt	133
J-13	Legal Debt Margin Information	134
J-14	Demographic and Economic Statistics.....	135
J-15	Principal Employers	136
J-16	Full-Time Equivalent District Employees by Function/Program.....	137
J-17	Operating Statistics	138
J-18	School Building Information.....	139
J-19	Schedule of Required Maintenance for School Facilities	140
J-20	Insurance Schedule.....	141

K. SINGLE AUDIT SECTION 142

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	143
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance by the Uniform Guidance and NJOMB 15-08..	145
K-3	Schedule of Expenditures of Federal Awards	148
K-4	Schedule of Expenditures State Awards	150
K-5	Notes to the Schedules of Federal and State Awards.....	152
K-6	Schedule of Findings and Questioned Costs	154
K-7	Summary Schedule of Prior Audit Findings	156

INTRODUCTORY SECTION
UNAUDITED



Jefferson Township Board of Education

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Assistant Superintendent of Schools

Roger Jinks, Jr.

RJinks@Jefftwp.org

Business Administrator

Rita Oroho Giacchi

RGiacchi@Jefftwp.org

November 20, 2025

The Honorable President and Members of
the Board of Education
Jefferson Township School District
Jefferson Township, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Jefferson Township 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 Jefferson Township Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the 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 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 economic 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' reports on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Jefferson Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Jefferson Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2024-25 fiscal year with an enrollment of 2,665 students, which is a decrease of 20 students from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK:

The Jefferson Township Public School District continues to maintain excellent fiscal accountability. Working within financial constraints, the District offered students various honors and advanced curriculum courses, expanded its technology literacy, security initiatives and continued to upgrade its infrastructure. District educational facilities benefit from team cleaning, and maintenance staff possess key technical skills, greatly reducing the need to outsource many repairs and improvement projects.

Shared services continue to result in efficiencies, such as bulk purchasing and transportation jointures. Additionally, the District and Township share multiple services, including: snow removal, computerized vehicle maintenance, recycling, excavation projects, paving/pothole repair, sewer treatment plant management and fuel.

The State of New Jersey revised the Aid funding formula in July of 2018. As a result, the district experienced a reduction of \$1,193,000 during the 2019-2020 school year; \$2,252,000 during the 2020-2021 school year; \$2,791,524 during the 2021-2022 school year; \$2,640,283 during the 2022-2023 school year; and \$1,526,151 during the 2023-2024 school year. New Jersey plans to adjust State Aid incrementally through the 2024-2025 school year. Based upon the most recent state aid notice, the district expects the total reduction will be approximately \$11,500,000 on an annual basis. The rationale for the adjustments is tied to enrollment. As a result, administration and the Board of Education members have been scrupulously identifying potential areas of efficiencies and simultaneously begun to identify additional revenue sources.

The School District plans to continue its sound fiscal management to meet future challenges.

3) MAJOR INITIATIVES:

In recognition of the need to maintain the facilities infrastructure for improvements which cannot be accommodated within the general fund budget, the district conducted a special election in October 2018 to ask residents to authorize a bond sale to make needed improvements to school buildings, which on average are 50 years old and in need of upgrades. The Community fully supported the referendum. Phase 1 of identified improvement projects was completed during the summer of 2019 and Phase 2 continued during the summer of 2020, although progress was somewhat impeded by the COVID-19 pandemic. The improvements completed during the summer of 2020 included the addition of security vestibules at the high school, middle school and two elementary schools, a bathroom renovation at the high school and various door replacements. During the summer of 2021, asbestos flooring was abated in various classrooms throughout the district and the intercom system was upgraded at the high school. During the 2022-2023 year, a project to upgrade the HVAC system in the middle school media center was completed and work got underway on a replacement of the fire alarm system at the high school. The remaining funds continued to be utilized during the 2023-2024 and 2024-2025 school year and are expected to be exhausted during the 2025-2026 school year.

During the 2022-2023 school year, the district applied for and received Preschool Expansion Aid ("PEA"). This funding is provided by the State of New Jersey and enables districts to offer general education preschool to 3 and 4-year-old children residing in Jefferson Township free of charge. The first PEA classrooms were opened on January 3, 2023 and 10 additional classrooms were added at the start of the 2023-2024 school year. The program was fully implemented at the beginning of the 2024-2025, accommodating for the full universe of students. This program has a dedicated stream of state funding.

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 awards 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 and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by 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 year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or 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 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage can be found on Exhibit J-20.

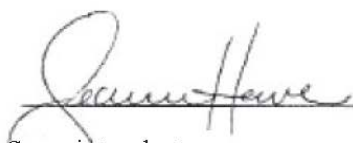
9) OTHER INFORMATION:

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's finance committee. 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 the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The independent 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.

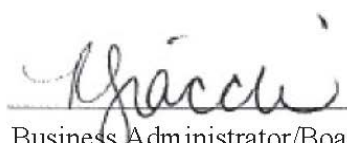
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Jefferson Township School Board 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 the financial and accounting staff.

Respectfully submitted,

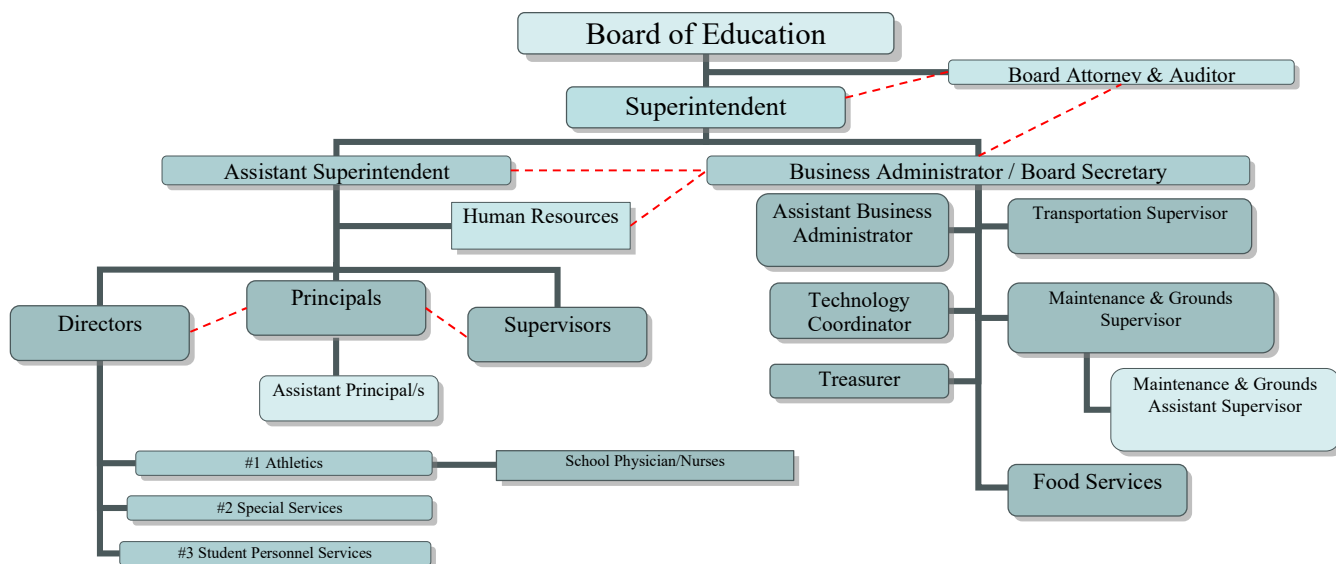


Superintendent
Jeanne Howe



Business Administrator/Board Secretary
Rita Giacchi

1110 ORGANIZATION CHART



Key

Line of Authority ———

Communication - - - - -



**Township of Jefferson Board of Education
Lake Hopatcong, NJ
Roster of Officials
June 30, 2025**

Members of the Board of Education

**Term
Expires**

Mrs. Stacey Poulas	President	12/31/2026
Mrs. Adele Wildermuth	Vice President	12/31/2025
Mr. Christopher Brown	Board Member	12/31/2027
Mr. Jaime Grater	Board Member	12/31/2025
Mrs. Christine Mallimo-Orna	Board Member	12/31/2027
Mr. Christopher Natale	Board Member	12/31/2027
Mrs. Diane Perez	Board Member	12/31/2026
Mrs. Jill Small	Board Member	12/31/2026
Mr. Michael Stewart	Board Member	12/31/2025

Other Officials

Mrs. Jeanne Howe, Superintendent

Mr. Roger Jinks, Jr., Assistant Superintendent

Mrs. Rita Oroho Giacchi, Business Administrator/Board Secretary

Mr. William Eagen, Treasurer



Jefferson Township Board of Education

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Audit Firm

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Mount Arlington, New Jersey 07856-1320

Attorney

Cleary Giacobbe Alfieri & Jacobs, LLC
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

Insurance Agent

The Morville Agency
55 Newton Sparta Road, #102
Newton, NJ 07860

Brown and Brown Benefit Advisors

56 Roseland Avenue, Suite 220
Roseland, NJ 07068

Official Depository

Provident Bank

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Lake Hopatcong New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Jefferson Township School District (the "District"), in the County of Morris, 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, each major fund and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable cash flows thereof for the 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.

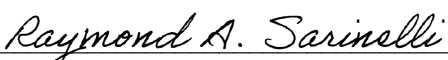
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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.

November 20, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP


Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of Jefferson Township 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 the basic financial statements* provide additional information essential to a full understanding of 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 Jefferson Township School District's Financial Report

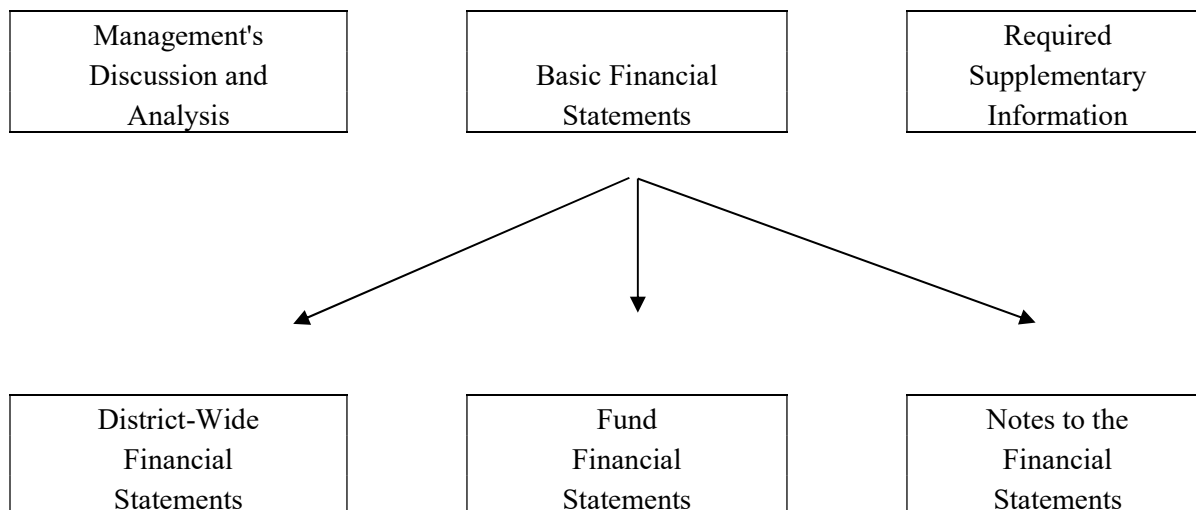


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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 focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, deferred outflow of resources, 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 are 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 are 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 service 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 it is 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 you 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. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities.
- *Notes to the basic financial statements*: The notes provide 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 Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a District's financial position.

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

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
Current and							
Other Assets	\$ 5,315,406	\$ 9,098,983	\$ 481,512	\$ 443,655	\$ 5,796,918	\$ 9,542,638	
Capital Assets, Net	30,239,180	28,949,229	180,222	125,735	30,419,402	29,074,964	
Total Assets	35,554,586	38,048,212	661,734	569,390	36,216,320	38,617,602	-6.63%
Deferred Outflows of Resources	1,790,938	1,953,565			1,790,938	1,953,565	-9.08%
Other Liabilities	2,843,170	3,042,124	27,894	69,871	2,871,064	3,111,995	
Long-Term Liabilities	26,967,598	29,545,013			26,967,598	29,545,013	
Total Liabilities	29,810,768	32,587,137	27,894	69,871	29,838,662	32,657,008	-9.45%
Deferred Inflows of Resources	1,846,058	1,987,642			1,846,058	1,987,642	-7.67%
Net Position:							
Net Investment in							
Capital Assets	15,591,356	12,898,223	180,222	125,735	15,771,578	13,023,958	
Restricted	1,813,381	3,786,238			1,813,381	3,786,238	
Unrestricted/(Deficit)	(11,716,039)	(11,257,463)	453,618	373,784	(11,262,421)	(10,883,679)	
Total Net Position	\$ 5,688,698	\$ 5,426,998	\$ 633,840	\$ 499,519	\$ 6,322,538	\$ 5,926,517	6.26%

Changes in Net Position. The District's *combined* net position was \$6,322,538 on June 30, 2025, an increase of \$396,021 from the year before. (See Figure A-3). The net position of the governmental activities increased \$261,700 and the net position of the business-type activities increased \$134,321 (See Figure A-4).

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	\$ 1,050,856	\$ 1,014,957	\$ 953,882	\$ 888,381	\$2,004,738	\$ 1,903,338	
Operating Grants and Contributions	14,077,818	16,198,086	441,080	452,720	14,518,898	16,650,806	
General Revenue:							
Property Taxes	51,114,125	49,850,979			51,114,125	49,850,979	
Unrestricted Federal and State Aid	229,332	260,059			229,332	260,059	
Other	1,295,072	762,729	14,665	13,886	1,309,737	776,615	
Total Revenue	67,767,203	68,086,810	1,409,627	1,354,987	69,176,830	69,441,797	-0.38%
Expenses:							
Instruction	39,506,629	40,678,771			39,506,629	40,678,771	
Pupil and Instruction Services	9,843,441	10,175,243			9,843,441	10,175,243	
Administrative and Business	5,831,776	5,815,948			5,831,776	5,815,948	
Maintenance and Operations	7,307,205	6,688,629			7,307,205	6,688,629	
Transportation	4,090,159	3,858,309			4,090,159	3,858,309	
Other	926,293	1,201,163	1,275,306	1,263,579	2,201,599	2,464,742	
Total Expenses	67,505,503	68,418,063	1,275,306	1,263,579	68,780,809	69,681,642	-1.29%
Increase/(Decrease) in Net Position	\$ 261,700	\$ (331,253)	\$ 134,321	\$ 91,408	\$ 396,021	\$ (239,845)	265.12%

Governmental Activities

Maintaining existing programs and the provision of a multitude of special programs and services for students with special needs place great demands on the District's resources. In recent years retiring teachers are being replaced by teachers of less experience. Such changes have generated salary savings, but these have not been sufficient enough to offset increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost saving items during the year were:

- Increased use of federal funds for tuition and related service cost savings.

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 burden placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024/2025	2023/2024	2024/2025	2023/2024
Instruction	\$ 39,506,629	\$ 40,678,771	\$ 25,678,357	\$18,873,286
Pupil and Instruction Services	9,843,441	10,175,243	9,347,436	10,322,478
Administrative and Business	5,831,776	5,815,948	5,634,623	5,214,623
Maintenance and Operations	7,307,205	6,688,629	7,385,013	5,425,836
Transportation	4,090,159	3,858,309	3,405,107	3,403,548
Other	926,293	1,201,163	926,293	1,141,806
	<u>\$ 67,505,503</u>	<u>\$ 68,418,063</u>	<u>\$ 52,376,829</u>	<u>\$44,381,577</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$134,321. (Refer to Figure A-4). The factor contributing to this result was:

- District meal prices increased in 2024/2025 resulting in an increase in revenue.

Financial Analysis of the District's Funds

The District's financial position declined significantly in 2024/2025. Salaries of staff have increased by prior year negotiated agreements and health benefits contributions continue to increase steadily. The District utilized fund balance to offset losses of State Aid due to the implementation of the S-2 funding formula.

General Fund Budgetary Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. Over the course of the year the school district amended its General Fund budget as needed.

Capital Asset and Long Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/2025	2023/2024	2024/2025	2023/2024	2024/2025	2023/2024	
Land	\$ 5,196,400	\$ 5,196,400			\$ 5,196,400	\$ 5,196,400	
Construction in Progress	12,057,150	9,599,580			12,057,150	9,599,580	
Buildings and Building Improvements	10,282,251	11,191,132			10,282,251	11,191,132	
Furniture, Machinery and Equipment	2,703,379	2,962,117	\$ 180,222	\$ 125,735	2,883,601	3,087,852	
	<u>\$ 30,239,180</u>	<u>\$ 28,949,229</u>	<u>\$ 180,222</u>	<u>\$ 125,735</u>	<u>\$ 30,419,402</u>	<u>\$ 29,074,964</u>	4.62%

The depreciation factored into the governmental activities and the business-type activities for the fiscal year 2024-2025 was \$1,609,699 and \$15,166, respectively.

Long-Term Liabilities

At year-end, the District had \$13,260,000 in general obligation bonds outstanding – a reduction of \$2,040,000 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2024/2025	2023/2024	
General Obligation Bonds (Financed with Property Taxes)	\$ 13,260,000	\$ 15,300,000	
Unamortized Bond Premium	137,531	183,375	
Financed Purchases Payable	1,520,590	1,251,508	
Net Pension Liability	10,286,277	11,481,816	
Compensated Absences Payable	1,763,200	1,328,314	
	<u>\$ 26,967,598</u>	<u>\$ 29,545,013</u>	-8.72%

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future. Many factors were considered by the District's administration during the process of developing the fiscal year budget. The primary factors were the District's projected student population, anticipated state and federal aid, as well as increasing salaries and related benefit costs.

While many factors influence the District's future, the availability of funding for special education needs will have the most impact on educational and fiscal decision making in the future.

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 the Board of Education Office, Robert F. Drummond Building, 31 Route 181, Lake Hopatcong, New Jersey 07849.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,899,161	\$ 397,071	\$ 3,296,232
Receivables from Other Governments	586,181	28,492	614,673
Other Receivables	237,584	21,800	259,384
Internal Balances	(21,435)	21,435	
Inventory		12,714	12,714
Restricted Assets:			
Cash and Cash Equivalents	1,613,915		1,613,915
Capital Assets:			
Sites (Land)	5,196,400		5,196,400
Construction in Progress	12,057,150		12,057,150
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	12,985,630	180,222	13,165,852
Total Assets	<u>35,554,586</u>	<u>661,734</u>	<u>36,216,320</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding	375,376		375,376
Deferred Outflows Related to Pensions	1,415,562		1,415,562
Total Deferred Outflows of Resources	<u>1,790,938</u>		<u>1,790,938</u>
LIABILITIES			
Accounts Payable	2,697,561		2,697,561
Accrued Interest Payable	73,886		73,886
Unearned Revenue	71,723	27,894	99,617
Noncurrent Liabilities:			
Due Within One Year	2,862,849		2,862,849
Due Beyond One Year	24,104,749		24,104,749
Total Liabilities	<u>29,810,768</u>	<u>27,894</u>	<u>29,838,662</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	1,846,058		1,846,058
Total Deferred Inflows of Resources	<u>1,846,058</u>		<u>1,846,058</u>
NET POSITION			
Net Investment in Capital Assets	15,591,356	180,222	15,771,578
Restricted for:			
Debt Service	32,197		32,197
Capital Projects	894,784		894,784
Unemployment Compensation	503,370		503,370
Scholarships	47,573		47,573
Student Activities	335,457		335,457
Unrestricted/(Deficit)	(11,716,039)	453,618	(11,262,421)
Total Net Position	<u>\$ 5,688,698</u>	<u>\$ 633,840</u>	<u>\$ 6,322,538</u>

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 27,669,726		\$ 9,318,621		\$ (18,351,105)		\$ (18,351,105)
Special Education	8,811,666	\$ 419,096	3,739,785		(4,652,785)		(4,652,785)
Other Special Instruction	1,807,191		230,529		(1,576,662)		(1,576,662)
Other Instruction	1,218,046		120,241		(1,097,805)		(1,097,805)
Support services:							
Tuition	1,590,154				(1,590,154)		(1,590,154)
Student & Instruction Related Services	8,253,287	631,760	(135,755)		(7,757,282)		(7,757,282)
General Administrative Services	1,210,990		(13,147)		(1,224,137)		(1,224,137)
School Administrative Services	2,969,335		210,300		(2,759,035)		(2,759,035)
Central Services	1,286,136				(1,286,136)		(1,286,136)
Administrative Information Technology	365,315				(365,315)		(365,315)
Plant Operations and Maintenance	7,307,205		(77,808)		(7,385,013)		(7,385,013)
Pupil Transportation	4,090,159		685,052		(3,405,107)		(3,405,107)
Interest on Long-Term Debt	440,527				(440,527)		(440,527)
Capital Outlay	94,542				(94,542)		(94,542)
Transfer to Charter School	391,224				(391,224)		(391,224)
Total Governmental Activities	67,505,503	1,050,856	14,077,818	\$ -0-	(52,376,829)	\$ -0-	(52,376,829)

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities: Food Service	\$ 1,275,306	\$ 953,882	\$ 441,080			\$ 119,656	\$ 119,656
Total Business-Type Activities	1,275,306	953,882	441,080			119,656	119,656
Total Primary Government	<u>\$ 68,780,809</u>	<u>\$ 2,004,738</u>	<u>\$ 14,518,898</u>	<u>\$ -0-</u>	<u>\$ (52,376,829)</u>	<u>119,656</u>	<u>(52,257,173)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					48,940,863		48,940,863
Taxes Levied for Debt Service					2,173,262		2,173,262
Federal and State Aid not Restricted					229,332		229,332
Interest Earnings					332,078		332,078
Miscellaneous Income					962,994	14,665	977,659
Total General Revenue					52,638,529	14,665	52,653,194
Change in Net Position					261,700	134,321	396,021
Net Position - Beginning					5,426,998	499,519	5,926,517
Net Position - Ending					\$ 5,688,698	\$ 633,840	\$ 6,322,538

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

FUND FINANCIAL STATEMENTS

JEFFERSON TOWNSHIP 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	\$ 2,699,695		\$ 179,292	\$ 20,174	\$ 2,899,161
Intergovernmental Accounts Receivable - State	424,112				424,112
Intergovernmental Accounts Receivable - Federal		\$ 20,024			20,024
Intergovernmental Accounts Receivable - Other	142,045				142,045
Interfund Receivable	533,266			12,023	545,289
Other Receivable	237,584				237,584
Restricted Cash and Cash Equivalents	1,230,885	383,030			1,613,915
Total Assets	<u>\$ 5,267,587</u>	<u>\$ 403,054</u>	<u>\$ 179,292</u>	<u>\$ 32,197</u>	<u>\$ 5,882,130</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,499,846	\$ 6,499			\$ 1,506,345
Interfund Payable	21,435	379,167	\$ 166,122		566,724
Unearned Revenue	40,540	31,183			71,723
Total Liabilities	<u>1,561,821</u>	<u>416,849</u>	<u>166,122</u>		<u>2,144,792</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	727,515				727,515
Unemployment Compensation	503,370				503,370
Debt Service				\$ 32,197	32,197
Scholarships		47,573			47,573
Student Activities		335,457			335,457
Capital Projects			167,269		167,269
Assigned:					
Subsequent Year's Expenditures	2,429,690				2,429,690
Encumbrances	45,191				45,191
Unassigned/(Deficit)		(396,825)	(154,099)		(550,924)
Total Fund Balances	<u>3,705,766</u>	<u>(13,795)</u>	<u>13,170</u>	<u>32,197</u>	<u>3,737,338</u>
Total Liabilities and Fund Balances	<u>\$ 5,267,587</u>	<u>\$ 403,054</u>	<u>\$ 179,292</u>	<u>\$ 32,197</u>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	30,239,180
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(73,886)
Deferred Amount on Refunding costs are reported as expenditures in the governmental funds in the year of expenditure.	375,376
Bond issuance premiums are reported as a revenue in the Governmental Funds in the year of receipt.	(137,531)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(10,286,277)
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	224,346
Deferred Inflows	(1,846,058)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds	(16,543,790)
Net Position of Governmental Activities	<u>\$ 5,688,698</u>

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

JEFFERSON TOWNSHIP 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
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 48,940,863			\$ 2,173,262	\$ 51,114,125
Tuition	419,096				419,096
Restricted Miscellaneous Revenue	18,458	\$ 631,760			650,218
Unrestricted Miscellaneous Revenue	1,264,591		\$ 12,023		1,276,614
Total - Local Sources	50,643,008	631,760	12,023	2,173,262	53,460,053
State Sources	18,080,134	3,908,938		209,314	22,198,386
Federal Sources	20,018	1,112,732			1,132,750
Total Revenue	68,743,160	5,653,430	12,023	2,382,576	76,791,189
EXPENDITURES:					
Current:					
Regular Instruction	15,653,865	4,959,933			20,613,798
Special Education Instruction	5,797,984	720,707			6,518,691
Other Special Instruction	1,213,597				1,213,597
Other Instruction	909,611				909,611
Support Services and Undistributed Costs:					
Tuition	1,590,154				1,590,154
Student & Instruction Related Services	6,099,262	582,257			6,681,519
General Administrative Services	1,048,402				1,048,402
School Administrative Services	2,160,750				2,160,750
Central Services	1,075,894				1,075,894
Administrative Information Technology	349,218				349,218
Plant Operations and Maintenance	6,329,597				6,329,597
Pupil Transportation	4,113,613				4,113,613
Unallocated Benefits	23,020,721				23,020,721

JEFFERSON TOWNSHIP 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 (Cont'd):					
Debt Service:					
Principal					
Interest and Other Charges					
Capital Outlay	\$ 1,513,012		\$ 1,457,570	\$ 2,040,000	\$ 2,040,000
Transfer to Charter School	391,224			365,954	365,954
Total Expenditures	<u>71,266,904</u>	<u>\$ 6,262,897</u>	<u>1,457,570</u>	<u>2,405,954</u>	<u>391,224</u>
	(2,523,744)	(609,467)	(1,445,547)	(23,378)	(4,602,136)
Excess/(Deficiency) of Revenue over/(under) Expenditures					
OTHER FINANCING SOURCES/(USES):					
Financed Purchases (Non-budgeted)	1,000,000				1,000,000
Transfers In		539,682	1,135,320	12,023	1,687,025
Transfers Out	(1,675,002)		(12,023)		(1,687,025)
Total Other Financing Sources/(Uses)	<u>(675,002)</u>	<u>539,682</u>	<u>1,123,297</u>	<u>12,023</u>	<u>1,000,000</u>
Net Change in Fund Balances	(3,198,746)	(69,785)	(322,250)	(11,355)	(3,602,136)
Fund Balance—July 1	6,904,512	55,990	335,420	43,552	7,339,474
Fund Balance/(Deficit)—June 30	<u>\$ 3,705,766</u>	<u>\$ (13,795)</u>	<u>\$ 13,170</u>	<u>\$ 32,197</u>	<u>\$ 3,737,338</u>

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

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays differ from depreciation in the period.

Depreciation expense	\$ (1,609,699)
Capital outlays	2,899,650

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

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a deduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

Page 29

JEFFERSON TOWNSHIP 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

The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)	\$ (125,126)
Financed Purchase obligations are other financing sources in the Governmental Funds, but the obligations increase Long-term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.	(1,000,000)
The governmental funds report the effect of deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (-)	45,844
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:	
Change in Net Pension Liability	1,195,539
Change in Deferred Outflows	(24,697)
Change in Deferred Inflows	141,584
Repayment of serial bonds and financed purchases 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.	2,528,308
Change in Net Position of Governmental Activities (Exhibit A-2)	\$ 261,700

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds Food Service
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 397,071
Intergovernmental Accounts Receivable:	
Federal	26,392
State	2,100
Other Accounts Receivable	21,800
Interfund Receivable - General Fund	21,435
Inventories	12,714
Total Current Assets	481,512
Non-Current Assets:	
Capital Assets	490,981
Less: Accumulated Depreciation	(310,759)
Total Non-Current Assets	180,222
Total Assets	661,734
<u>LIABILITIES:</u>	
Unearned Revenue - Prepaid Sales	25,382
Unearned Revenue - Donated Commodities	2,512
Total Current Liabilities	27,894
<u>NET POSITION:</u>	
Investment in Capital Assets	180,222
Unrestricted	453,618
Total Net Position	\$ 633,840

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

JEFFERSON TOWNSHIP 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 Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 835,517
Daily Sales - Non-reimbursable Programs	97,136
Special Events	21,229
Total Operating Revenue	953,882
Operating Expenses:	
Cost of Sales - Reimbursable Programs	516,092
Cost of Sales - Non-Reimbursable Programs	57,344
Salaries, Benefits and Payroll Taxes	519,510
Supplies , Insurance & Other Costs	67,748
Management Fee	73,087
Miscellaneous Expenditures	26,359
Depreciation Expense	15,166
Total Operating Expenses	1,275,306
Operating Loss	(321,424)
Non-Operating Revenue:	
Local Sources	
Interest Revenue	14,665
State Sources:	
State School Breakfast Program	3,266
State School Lunch Program	22,911
Federal Sources	
National School Lunch Program	290,424
School Breakfast Program	55,901
Food Distribution Program	68,578
Total Non-Operating Revenue	455,745
Change in Net Position	134,321
Net Position - Beginning of Year	499,519
Net Position - End of Year	\$ 633,840

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-type Activities- Enterprise Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 955,469
Payments to Food Service Vendor	(1,235,778)
Net Cash (Used for) Operating Activities	(280,309)
Cash Flows (Used for) Capital and Related Financing Activities:	
Purchase of Capital Assets	(69,653)
Net Cash (Used for) Capital and Related Financing Activities	(69,653)
Cash Flows from Investing Activities:	
Interest Income	14,665
Net Cash Provided by Investing Activities	14,665
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	28,485
Federal Sources:	
National School Lunch Program	317,387
Net Cash Provided by Noncapital Financing Activities	401,773
Net Increase in Cash and Cash Equivalents	66,476
Cash and Cash Equivalents, July 1	330,595
Cash and Cash Equivalents, June 30	\$ 397,071
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (321,424)
Adjustment to Reconcile Operating Loss to net Cash (Used for) Operating Activities:	
Depreciation	15,166
Federal Food Distribution Program	68,578
Changes in Assets and Liabilities:	
(Increase)/Decrease in Interfund Receivable	1,769
(Increase)/Decrease in Inventories	(2,421)
Increase/(Decrease) in Accounts Payable	(42,999)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(182)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	1,204
Net Cash (Used for) Operating Activities	\$ (280,309)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$69,782 and \$68,578, respectively, the fiscal year ended June 30, 2025.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Jefferson Township 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 District 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.

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

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 governmental 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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 (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 expenditure for principal and interest.

The District reports the following proprietary fund:

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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.

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 Budget amendments/transfers must be made by School Board resolution. All budgeting 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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 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.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 68,722,549	\$ 5,712,742
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that		
Encumbrances are Recognized as Expenditures, and Revenues on the		
Budgetary Basis but not on the GAAP Basis		
Prior Year Encumbrances		63,913
Current Year Encumbrances		(3,937)
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	493,703	277,537
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	<u>(473,092)</u>	<u>(396,825)</u>
Total Revenue as Reported on the Statement of Revenue, Expenditures		
and Changes in Fund Balances - Governmental Funds.	<u>\$ 68,743,160</u>	<u>\$ 5,653,430</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the		
Budgetary Comparison Schedule	\$ 71,266,904	\$ 6,202,921
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but		
Not Received are Reported in the Year the Order is Placed for		
Budgetary Purposes, but in the Year the Supplies are Received		
for Financial Reporting Purposes.		
Prior Year Encumbrances		63,913
Current Year Encumbrances		<u>(3,937)</u>
Total Expenditures as Reported on the Statement of Revenue,		
Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 71,266,904</u>	<u>\$ 6,262,897</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	Capital Projects Fund	
	Revenue	Fund Balance
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:		
Revenue (Budgetary Basis)	\$ 768,903	\$ 770,050
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recognized on the GAAP Basis until Expended	(756,880)	(756,880)
Revenue (GAAP Basis)	<u>\$ 12,023</u>	<u>\$ 13,170</u>

E. 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 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 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. 17:9-41et 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 market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to Governmental Units.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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 revenue. 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 revenue/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 proprietary funds represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, 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. Land has been recorded at estimated historical cost. 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:

	<u>Estimated Useful Life</u>
Buildings	40 years
Furniture, Machinery, and Building Improvements	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental funds 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. 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 premiums 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, 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.

N. Accrued Salaries and Wages:

The District allows ten-month academic year employees who provide services, the option to have their salaries evenly distributed during the entire twelve-month year by having 10% of their semi-monthly salary, deducted and the accumulated deductions disbursed in 2 installments over the two summer months. As of June 30, 2025, the amount earned by these employees but not disbursed was \$870,171.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused 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 sick leave. 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.

P. 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.

Q. 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.

R. Fund Balance Appropriated:

General Fund: Of the \$3,705,766 General Fund fund balance at June 30, 2025, \$727,515 is restricted in the capital reserve account; \$503,370 is restricted for unemployment compensation; \$45,191 is assigned for encumbrances; \$2,426,690 is assigned fund balance designated for subsequent year's expenditures which is \$270,310 less on a GAAP basis, due to the final two state aid payments; and \$0 is unassigned which is \$202,782 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the (\$13,795) Special Revenue Fund fund balance at June 30, 2025, \$335,457 is restricted for student activities, \$47,573 is restricted for Scholarships and (\$396,825) is a deficit in unassigned fund balance. The deficit is due to the last two state aid payments, which are not recognized on a GAAP basis until the fiscal year June 30, 2026.

Capital Projects Fund: Of the \$13,170 Capital Projects Fund fund balance as of June 30, 2025, \$167,269 is restricted fund balance, and there is a deficit of \$154,099 in unassigned fund balance due to the SDA grant which is not recognized on the GAAP basis.

Debt Service Fund: The District has \$32,197 of restricted fund balance in the Debt Service Fund at June 30, 2025.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

R. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (\$1701) 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 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 had no excess surplus at June 30, 2025.

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 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 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two 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 final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position/Fund Balance:

The District has a deficit in unrestricted net position of \$11,716,039 in governmental activities, which is primarily due to net pension liability and deferred inflows of resources and deferred outflows of resources related to pensions. This deficit does not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

The District has a \$396,825 deficit unassigned fund balance in the Special Revenue Fund due to the final state aid payments, which are not recognized until the fiscal year June 30, 2026. These deficits do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

There is a deficit in unassigned Capital Projects Fund fund balance of \$154,099 due to the NJ SDA grant which has not been recognized on a GAAP basis until it is expended and submitted for reimbursement.

T. 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 outflow of resources at June 30, 2025 for the deferred amount on refunding and related to pensions.

The District had deferred inflows of resources at June 30, 2025 related to pensions.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Net Position: (Cont'd)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease 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.

U. 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.

Fund balance restrictions have been established for the debt service fund, the capital projects fund, capital reserve, student activities, scholarships, and unemployment compensation.

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 had no committed resources as of 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 year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2025.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

V. 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.

W. Operating Revenue and Expenses:

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

X. 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.

Y. 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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 permitted under state statute as detailed in the section of this Note on Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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, and

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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;
- (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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

- (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	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 3,296,232	\$ 1,613,915	\$ 4,910,147

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2025, was \$4,910,147 and the bank balance was \$5,528,657.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Jefferson Township Board of Education by inclusion of \$1 on October 16, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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	\$ 1,697,639
Add:	
Increase per Board Resolution June 2025	\$ 300,000
Return of Unspent Portion of Capital Projects Fund Project	<u>115,196</u>
	415,196
	2,112,835
Less: Budgeted Withdrawal	<u>1,385,320</u>
Ending Balance, June 30, 2025	<u>\$ 727,515</u>

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 is equal to or greater than \$727,515. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025 the District transferred \$128,735 to capital outlay accounts for equipment which did not require County Superintendent approval.

NOTE 6: CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 563,394
Special Education	209,261
Other Special Instruction	48,291
Other Instruction	32,194
Student and Instruction Related Support Services	225,358
General Administration Services	32,194
School Administration Services	80,485
Central Services	32,194
Admin Information Technology	16,097
Maintenance/Custodial	225,358
Pupil Transportation	<u>144,873</u>
	<u>\$ 1,609,699</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 6: CAPITAL ASSETS (Cont'd)

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

	Beginning Balance	Additions	Adjustments/ Deletions	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 5,196,400			\$ 5,196,400
Construction in Progress	9,599,580	\$2,457,570		12,057,150
Total Capital Assets Not Being Depreciated	14,795,980	2,457,570		17,253,550
Capital Assets Being Depreciated:				
Buildings and Building Improvements	34,336,580	129,309		34,465,889
Furniture, Machinery and Equipment	10,728,304	312,771		11,041,075
Total Capital Assets Being Depreciated	45,064,884	442,080		45,506,964
Governmental Activities Capital Assets	59,860,864	2,899,650		62,760,514
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(23,145,448)	(1,038,190)		(24,183,638)
Furniture, Machinery and Equipment	(7,766,187)	(571,509)		(8,337,696)
	(30,911,635)	(1,609,699)		(32,521,334)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 28,949,229	\$ 1,289,951	\$ -0-	\$ 30,239,180
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture, Machinery and Equipment	\$ 421,328	\$ 69,653		\$ 490,981
	421,328	69,653		490,981
Less Accumulated Depreciation for:				
Furniture, Machinery and Equipment	(295,593)	(15,166)		(310,759)
	(295,593)	(15,166)		(310,759)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 125,735	\$ 54,487	\$ -0-	\$ 180,222

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. LONG-TERM LIABILITIES

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

	Balance 6/30/2024	Issued/ Accrued	Retired	Balance 6/30/2025
Serial Bonds Payable	\$15,300,000		\$2,040,000	\$ 13,260,000
Unamortized Bond Premium	183,375		45,844	137,531
Compensated Absences Payable	1,328,314	\$ 192,276		1,520,590
Net Pension Liability	11,481,816		1,195,539	10,286,277
Financed Purchases Payable	1,251,508	1,000,000	488,308	1,763,200
	<u>\$29,545,013</u>	<u>\$ 1,192,276</u>	<u>\$3,769,691</u>	<u>\$ 26,967,598</u>

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 and will be liquidated through the debt service fund.

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

Purpose	Final Maturity Date	Interest Rates	Amount
School Bonds - 2018	9/15/2038	3.25%-4.00%	\$ 7,985,000
Refunding Bonds of 2021	9/15/2027	1.077%-1.581%	5,275,000
			<u>\$ 13,260,000</u>

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

Year	Principal	Interest	Total
2026	\$ 2,060,000	\$ 340,029	\$ 2,400,029
2027	2,085,000	308,885	2,393,885
2028	2,105,000	273,015	2,378,015
2029	650,000	243,099	893,099
2030	650,000	221,569	871,569
2031-2035	2,600,000	665,273	3,265,273
2036-2039	3,110,000	273,313	3,383,313
	<u>\$ 13,260,000</u>	<u>\$ 2,325,183</u>	<u>\$ 15,585,183</u>

B. Bonds Authorized but not Issued:

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Financed Purchase Payable:

The District has three finance purchase agreements for transportation, and other various capital equipment. All finance purchase agreements are for terms of four years. The District has finance purchase agreements totaling \$3,000,000 of which \$1,236,800 have been liquidated. The following is a schedule of the future minimum finance purchase payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2025.

<u>Year</u>	<u>Amount</u>
2026	\$ 800,305
2027	538,864
2028	269,124
2029	269,125
Total Finance Purchase Payments	1,877,418
Less: Amount representing interest	(114,218)
Present value of net minimum financed purchase payments	<u>\$ 1,763,200</u>

The current portion of the financed purchases payable as of June 30, 2025 in the governmental activities is \$757,005 and the long-term portion is \$1,006,195. The General Fund will be used to liquidate the financed purchases payable in the governmental activities.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$0 and is separated from the long-term portion of \$1,520,590. Governmental Funds compensated absences will be liquidated by the General Fund.

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 Food Service Fund.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$45,844 and is separated from the long-term portion of \$91,687.

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities 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 \$10,286,277. See Note 8 for further information on the PERS.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS

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

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

Service retirement benefits of 1/55th 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 members 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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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.

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 \$1,156,565 for fiscal year 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$33,163 to 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.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, 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 \$10,286,277 for its proportionate share of the net pension liability, for PERS, 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 0.0757% for PERS, which was a decrease of -0.0036% as of June 30, 2023.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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 benefit of \$436,342 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 \$33,163 and the District recognized pension expense and revenue for \$33,163 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:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ (74,751)
	2021	5.13	\$ 12,779	
	2022	5.04		(42,283)
			<u>12,779</u>	<u>(117,034)</u>
Difference Between Expected and Actual Experience	2020	5.16	4,165	
	2021	5.13		(10,163)
	2022	5.04		(17,222)
	2023	5.08	52,912	
	2024	5.08	<u>148,976</u>	
			<u>206,053</u>	<u>(27,385)</u>
Changes in Proportion	2020	5.16	5,514	
	2021	5.13		(268,406)
	2022	5.04		(294,777)
	2023	5.08		(226,207)
	2024	5.08		(435,303)
			<u>5,514</u>	<u>(1,224,693)</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2021	5.00		(706,087)
	2022	5.00		1,120,096
	2023	5.00		(290,460)
	2024	5.00		(600,495)
				<u>(476,946)</u>
District Contribution Subsequent to the				
Measurement Date				
	2024	1.00	<u>1,191,216</u>	
			<u>\$ 1,415,562</u>	<u>\$ (1,846,058)</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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 employer specific amounts including the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (993,378)
2026	(17,566)
2027	(380,363)
2028	(224,791)
2029	(5,614)
	<u>\$ (1,621,712)</u>

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed 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 employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 13,390,543	\$ 10,286,277	\$ 7,644,135

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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, such as the District. 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 \$0 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required benefit of \$361,549.

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

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 \$99,088,444 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 0.2005% which was a decrease of -0.0076% as of June 30, 2023.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>99,088,444</u>
Total	<u><u>\$ 99,088,444</u></u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$361,549 and the District recognized pension benefit and revenue for \$361,459 in the fiscal year ended June 30, 2025 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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)

	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	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	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
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

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 contribution as follows:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
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	<u>(34,177,408)</u>
	<u><u>\$ (9,436,989,313)</u></u>

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. 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, 2024 calculated 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	\$ 116,843,256	\$ 99,088,444	\$ 84,134,672

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 \$126,476 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$205,888 for the fiscal year ended June 30, 2025.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. RISK MANAGEMENT

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

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund (the “Fund”) and the Pooled Insurance Program of New Jersey (the “PIP”). These public entity risk management pools provide general 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 and the PIP are risk-sharing public entity risk pools that are 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 Fund and PIP are elected.

As a member of the Fund and the PIP, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund and the PIP were to be exhausted, members would become responsible for their respective shares of the Fund’s and the PIP’s liabilities. The Fund and the PIP 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.

Summarized financial information for the Fund and the PIP as of June 30, 2025 is as follows:

	<u>Pooled Insurance Program</u>	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 23,375,857	\$ 63,434,477
Net Position	\$ 2,543,821	\$ 20,906,962
Total Revenue	\$ 13,413,218	\$ 60,413,430
Total Expenses	\$ 13,349,979	\$ 58,915,231
Change in Net Position	\$ 63,239	\$ 1,498,199
Members Dividends	\$ -0-	\$ -0-

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

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

Financial statements for the Pooled Insurance Program are available at the PIP’s Executive Director’s Office:

Burton Agency
44 Bergen Street
Westwood, NJ 07675
(201) 664-0310

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. 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 New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of interest earned, employee contributions, 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.

<u>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Utilized in Budget</u>	<u>Ending Balance</u>
2024-2025	\$ 17,271	\$ 101,328	\$ 100,141		\$ 503,370
2023-2024	18,571	98,864	88,265	\$ 200,000	484,912
2022-2023	18,680	88,762	136,421		655,742

NOTE 10. 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 11. INTERFUNDS PAYABLE AND RECEIVABLE

The District had the following interfunds payable or receivable on their various balance sheets as of June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 533,266	\$ 21,435
Special Revenue Fund		379,167
Capital Projects Fund		166,122
Debt Service Fund	12,023	
Enterprise Fund	21,435	
	<u>\$ 566,724</u>	<u>\$ 566,724</u>

The General Fund is owed \$379,167 from the Special Revenue Fund for a cash deficit which will be reimbursed when grant money is received from the federal grantors. The General Fund is owed \$154,099 from the Capital Projects Fund for project expenses paid out of the General Fund. The Enterprise Fund is owed \$21,435 for subsidy reimbursements received in the General Fund not turned over to the Enterprise Fund. The Debt Service Fund is owed \$12,023 from the Capital Projects Fund for interest earned in the Capital Projects Fund.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

AIG/VALIC	Vanguard
AXA Equitable	Legend Employee Benefit
Lincoln Investment Security Benefit	

NOTE 13. 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 school district on a predetermined, agreed-upon schedule.

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

Grant Programs

The School District participates in federal and state 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 pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2025, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities
<u> </u>	<u> </u>	<u> </u>	<u> </u>
\$ 45,191	\$ 3,937	\$ 173,381	\$ 222,509

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$3,937 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivable or an increase in unearned revenue. On the GAAP basis, the year-end encumbrances of \$173,381 in Capital Projects Fund are included in the (\$154,099 committed fund balance.

NOTE 15. ACCOUNTS PAYABLE

Payables as of June 30, 2025 were:

	<u>Governmental Funds</u>		District Contribution Subsequent to Measurement Date	Total Governmental Activities
	General Fund	Special Revenue Fund		
	<u> </u>	<u> </u>		
Vendors	\$ 477,610	\$ 6,499	\$ 484,109	\$ 484,109
Payroll Deductions and Withholdings	152,065		152,065	152,065
Accrued Salaries and Wages	870,171		870,171	870,171
State of New Jersey	<u> </u>	<u> </u>	<u>\$ 1,191,216</u>	<u>1,191,216</u>
	<u>\$ 1,499,846</u>	<u>\$ 6,499</u>	<u>\$ 1,506,345</u>	<u>\$ 2,697,561</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. POST-RETIREMENT 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:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	153,556
Active Plan Members	219,185
Total	<u>372,741</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. POST-RETIREMENT 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 1, 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.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. POST-RETIREMENT 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 Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 121,916,153
Changes for Year:	
Service Cost	4,274,211
Interest on the Total OPEB Liability	4,459,824
Differences between Expected and Actual Experiences	(2,012,440)
Changes in Assumptions	10,136,033
Gross Benefit Payments by the State	116,626
Contributions from Members	(3,406,040)
Net Changes	<u>13,568,214</u>
Balance at June 30, 2024	<u>\$ 135,484,367</u>

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:

	<u>June 30, 2024</u>		
	<u>At 1% Decrease (2.93%)</u>	<u>At Discount Rate (3.93%)</u>	<u>At 1% Increase (4.93%)</u>
Total OPEB Liability Attributable to the District	\$ 158,681,210	\$ 135,484,367	\$ 116,624,874

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. POST-RETIREMENT 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 Rate

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%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 112,859,464	\$ 135,484,367	\$ 164,954,796

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 \$2,130,040 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 following sources:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. POST-RETIREMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (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		\$ 2,598,271
	2018	9.51		3,172,064
	2019	9.29	\$ 500,464	
	2020	9.24	12,909,767	
	2021	9.24	76,255	
	2022	9.13		20,718,925
	2023	9.30	188,161	
	2024	9.33	9,049,641	
			<u>22,724,288</u>	<u>26,489,260</u>
Differences between Expected and Actual Experience	2018	9.51		2,998,588
	2019	9.29		5,890,494
	2020	9.24	12,032,409	
	2021	9.24		14,664,567
	2022	9.13	2,133,752	
	2023	9.30		1,747,947
	2024	9.33	322,296	
			<u>14,488,457</u>	<u>25,301,596</u>
Changes in Proportion	N/A	N/A	<u>161,477</u>	<u>10,733,681</u>
			<u>\$ 37,374,222</u>	<u>\$ 62,524,537</u>

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

Fiscal Year Ending June 30,	Total
2025	\$ (4,805,789)
2026	(4,029,681)
2027	(1,913,971)
2028	503,025
2029	(3,492,634)
Thereafter	<u>(839,060)</u>
	<u>\$ (14,578,110)</u>

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON TOWNSHIP BOARD OF EDUCATION
 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	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0868809315%	0.0906040009%	0.0878332234%	0.0878151471%	0.0901347898%	0.0909247587%	0.0853375590%	0.0815089499%	0.0795713282%	0.0757009262%
District's proportionate share of the net pension liability	\$ 19,503,028	\$ 26,834,306	\$ 20,446,170	\$ 17,290,365	\$ 16,240,922	\$ 14,827,450	\$ 10,109,513	\$ 12,300,823	\$ 11,481,816	\$ 10,286,277
District's covered employee payroll	\$ 5,941,086	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591	\$ 6,010,393	\$ 5,993,291	\$ 6,052,665	\$ 6,277,286
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	328.27%	438.15%	337.82%	269.86%	253.43%	233.48%	168.20%	205.24%	189.70%	163.87%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	46.18%	48.10%	53.60%	56.27%	58.32%	70.33%	46.41%	65.23%	68.22%

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	2021	2022	2023	2024	2025
Contractually required contribution	\$ 746,943	\$ 807,774	\$ 813,681	\$ 873,477	\$ 1,012,875	\$ 994,672	\$ 1,098,880	\$ 1,133,592	\$ 1,059,470	\$ 1,030,078
Contributions in relation to the contractually required contribution	(746,943)	(807,774)	(813,681)	(873,477)	(1,012,875)	(994,672)	(1,098,880)	(1,133,592)	(1,059,470)	(1,030,078)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 6,124,440	\$ 6,052,317	\$ 6,407,207	\$ 6,408,469	\$ 6,350,591	\$ 6,010,393	\$ 5,993,291	\$ 6,052,665	\$ 6,277,286	\$ 6,346,760
Contributions as a percentage of covered employee payroll	12.20%	13.35%	12.70%	13.63%	15.95%	16.55%	18.34%	18.73%	16.88%	16.23%

JEFFERSON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.244845903%	0.2426636615%	0.0023914585%	0.2306180889%	0.2244263900%	0.2317096096%	0.2330760949%	0.22231512514%	0.2094019100%	0.2004820037%
State's proportionate share of the net pension liability attributable to the District	\$ 154,753,117	\$ 190,894,687	\$ 161,240,754	\$ 146,714,284	\$ 137,732,602	\$ 152,577,976	\$ 112,051,772	\$ 115,133,585	\$ 106,195,933	\$ 99,088,444
District's covered employee payroll	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 25,073,940	\$ 23,910,999	\$ 24,116,577	\$ 23,772,003	\$ 25,156,923
District's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	631.00%	774.65%	677.25%	604.03%	556.88%	608.51%	468.62%	477.40%	446.73%	393.88%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.79%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	2021	2022	2023	2024	2025
Contractually required contribution	\$ 7,022,171	\$ 14,343,079	\$ 11,169,943	\$ 8,552,930	\$ 8,123,837	\$ 9,487,948	\$ 6,830,325	\$ 9,339,440	\$ 8,670,505	\$ (361,549)
Contributions in relation to the contractually required contribution	(1,323,727)	(2,595,866)	(1,869,653)	(2,044,060)	(5,082,279)	(6,775,240)	(9,186,370)	(8,507,009)	(8,543,207)	(8,328,752)
Contribution deficiency/(excess)	\$ 5,698,444	\$ 11,747,213	\$ 9,300,290	\$ 6,508,870	\$ 3,041,558	\$ 2,712,708	\$ (2,356,045)	\$ 832,431	\$ 127,298	\$ (8,690,301)
District's covered employee payroll	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 25,073,940	\$ 23,910,999	\$ 24,116,577	\$ 23,772,003	\$ 25,156,923	\$ 25,362,243
Contributions as a percentage of covered employee payroll	28.50%	60.24%	45.99%	34.58%	32.40%	39.68%	28.32%	39.29%	34.47%	-1.43%

JEFFERSON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB
LIABILITY ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 5,601,427	\$ 4,653,305	\$ 4,150,445	\$ 4,133,225	\$ 7,354,381	\$ 5,961,386	\$ 4,331,969	\$ 4,274,211
Interest Cost	4,292,365	4,979,430	4,641,555	3,705,790	3,751,074	3,183,940	4,293,738	4,459,824
Changes of Benefit Terms					(153,909)			
Differences between Expected and Actual Experiences		(11,772,755)	(21,436,641)	26,839,237	(28,829,000)	1,680,695	(3,861,970)	(2,012,440)
Changes in Assumptions	(17,436,905)	(13,461,652)	1,537,660	30,175,193	142,659	(32,229,623)	245,733	10,136,033
Member Contributions	115,940	108,412	93,842	87,168	95,897	101,175	110,033	116,626
Gross Benefit Payments	(3,148,608)	(3,136,768)	(3,165,749)	(2,875,884)	(2,954,795)	(3,153,787)	(3,347,039)	(3,406,040)
Net Change in Total OPEB Liability	(10,575,781)	(18,630,028)	(14,178,888)	62,064,729	(20,593,693)	(24,456,214)	1,772,464	13,568,214
Total OPEB Liability - Beginning	146,513,564	135,937,783	117,307,755	103,128,867	165,193,596	144,599,903	120,143,689	121,916,153
Total OPEB Liability - Ending	\$ 135,937,783	\$ 117,307,755	\$ 103,128,867	\$ 165,193,596	\$ 144,599,903	\$ 120,143,689	\$ 121,916,153	\$ 135,484,367
District's Covered Employee Payroll *	\$ 30,466,005	\$ 24,524,919	\$ 24,642,692	\$ 23,808,209	\$ 24,289,342	\$ 24,732,921	\$ 24,732,921	\$ 25,073,940
Total OPEB Liability as a Percentage of Covered Employee Payroll	22%	21%	24%	14%	17%	21%	20%	19%

* - Covered payroll for the fiscal year ending June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, and June 30, 2023 are based on the payroll on the June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, and June 30, 2022 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.

JEFFERSON TOWNSHIP 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 Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2024 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 OPEB 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

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 48,940,863		\$ 48,940,863	\$ 48,940,863	
Tuition From Individuals				4,080	\$ 4,080
Tuition From Other LEAs Within the State	365,326		365,326	415,016	49,690
Unrestricted Miscellaneous Revenues	412,824		412,824	1,264,591	851,767
Other Restricted Miscellaneous Revenues				18,458	18,458
Total Revenues from Local Sources	<u>49,719,013</u>		<u>49,719,013</u>	<u>50,643,008</u>	<u>923,995</u>
Revenues from State Sources:					
Categorical Transportation Aid	636,026		636,026	636,026	
Extraordinary Aid	376,516		376,516	207,277	(169,239)
Categorical Special Education Aid	2,137,733		2,137,733	2,137,733	
Equalization Aid	1,772,561		1,772,561	1,772,561	
Categorical Security Aid	303,337		303,337	303,337	
Non Public Transportation Aid				82,246	82,246
Stabilization Aid		\$ 115,196	115,196	115,196	
Homeless Tuition				31,650	31,650
State Reimbursement for Menstrual Products				9,852	9,852
TPAF Post Retirement Contributions (Non-Budgeted)				2,463,815	2,463,815
TPAF Pension Contributions (Non-Budgeted)				8,328,752	8,328,752
TPAF Non-Contributory Insurance (Non-Budgeted)				103,171	103,171
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,426	3,426
Reimbursed TPAF Social Security Contributions				1,864,481	1,864,481
Total Revenues from State Sources	<u>5,226,173</u>	<u>115,196</u>	<u>5,341,369</u>	<u>18,059,523</u>	<u>12,718,154</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	70,416		70,416	20,018	(50,398)
Total Revenues from Federal Sources	<u>70,416</u>		<u>70,416</u>	<u>20,018</u>	<u>(50,398)</u>
TOTAL REVENUE	<u>55,015,602</u>	<u>115,196.00</u>	<u>55,130,798</u>	<u>68,722,549</u>	<u>13,591,751</u>

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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:					
Kindergarten - Salaries of Teachers	\$ 836,731	\$ 91,278	\$ 928,009	\$ 928,009	
Grades 1-5 - Salaries of Teachers	4,005,569	113,035	4,118,604	4,118,304	\$ 300
Grades 6-8 - Salaries of Teachers	3,379,811	83,921	3,463,732	3,463,732	
Grades 9-12 - Salaries of Teachers	5,818,516	(331,570)	5,486,946	5,486,946	
Regular Programs - Home Instruction:					
Salaries of Teachers	35,000	59,121	94,121	94,121	
Purchased Professional-Educational Services	25,138	1,002	26,140	14,322	11,818
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	66,405	12,762	79,167	79,167	
Purchased Professional-Educational Services	272,474	96,319	368,793	324,270	44,523
Other Purchased Services (400-500 series)	714,519	(89,610)	624,909	593,552	31,357
General Supplies	402,051	(13,436)	388,615	298,960	89,655
Textbooks	207,415	36,119	243,534	196,320	47,214
Other Objects	2,855		2,855	1,175	1,680
Total Regular Programs - Instruction	15,766,484	58,941	15,825,425	15,598,878	226,547
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	639,280	(258,921)	380,359	380,359	
Other Salaries for Instruction	427,281	21,326	448,607	448,607	
General Supplies	4,725	(1,454)	3,271	120	3,151
Total Learning and/or Language Disabilities	1,071,286	(239,049)	832,237	829,086	3,151
Behavioral Disabilities:					
Salaries of Teachers	484,768	(45,584)	439,184	439,184	
Other Salaries for Instruction	137,661	(4,084)	133,577	133,577	
General Supplies	1,688		1,688	675	1,013
Total Behavioral Disabilities	624,117	(49,668)	574,449	573,436	1,013

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 69,220	\$ 189,026	\$ 258,246	\$ 258,246	
Other Salaries for Instruction	1,500	24,710	26,210	26,210	
Purchased Professional-Educational Services		300	300	300	
General Supplies	8,995	542	9,537	6,479	\$ 3,058
Other Objects	8,632	8,160	16,792	15,263	1,529
Total Multiple Disabilities	88,347	222,738	311,085	306,498	4,587
Resource Room/Resource Center:					
Salaries of Teachers	2,061,221	(120,179)	1,941,042	1,941,042	
Other Salaries for Instruction	688,460	227,457	915,917	915,917	
General Supplies	3,750	(891)	2,859	590	2,269
Textbooks	1,050		1,050		1,050
Total Resource Room/Resource Center	2,754,481	106,387	2,860,868	2,857,549	3,319
Autism:					
Salaries of Teachers	337,610	(69,485)	268,125	268,125	
Other Salaries for Instruction	180,603	83,259	263,862	263,862	
General Supplies	4,000		4,000	3,846	154
Total Autism	522,213	13,774	535,987	535,833	154
Preschool Disabilities - Full-Time:					
Salaries of Teachers	233,730	168,615	402,345	402,345	
Other Salaries for Instruction	181,594	55,067	236,661	236,661	
Purchased Professional-Educational Services	300	(144)	156		156
General Supplies	5,625	7,536	13,161	13,044	117
Total Preschool Disabilities - Full-Time	421,249	231,074	652,323	652,050	273

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Purchased Professional-Educational Services	\$ 20,000	\$ 13,078	\$ 33,078	\$ 24,945	\$ 8,133
Total Home Instruction	20,000	13,078	33,078	24,945	8,133
TOTAL SPECIAL EDUCATION - INSTRUCTION	5,501,693	298,334	5,800,027	5,779,397	20,630
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	705,721	277,067	982,788	982,788	
Total Basic Skills/Remedial - Instruction	705,721	277,067	982,788	982,788	
Bilingual Education - Instruction:					
Salaries of Teachers	271,354	(58,398)	212,956	212,956	
Purchased Professional-Educational Services	16,810		16,810	13,136	3,674
Other Purchased Services (400-500 series)	6,300		6,300	729	5,571
General Supplies	21,305	(14,450)	6,855	2,263	4,592
Textbooks	4,000	(2,275)	1,725	1,725	
Total Bilingual Education - Instruction	319,769	(75,123)	244,646	230,809	13,837
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	205,040	(8,163)	196,877	196,877	
Purchased Services (300-500 series)	9,600	8,175	17,775	15,799	1,976
Supplies and Materials	13,050	100	13,150	11,416	1,734
Other Objects	19,725	(8,232)	11,493	10,044	1,449
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	247,415	(8,120)	239,295	234,136	5,159

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 399,410	\$ 15,125	\$ 414,535	\$ 414,535	
Purchased Services (300-500 series)	186,431	(8,789)	177,642	162,098	\$ 15,544
Supplies and Materials	60,547	1,680	62,227	60,843	1,384
Other Objects	44,500	(2,538)	41,962	37,999	3,963
Total School-Sponsored Athletics - Instruction	690,888	5,478	696,366	675,475	20,891
TOTAL INSTRUCTION	23,231,970	556,577	23,788,547	23,501,483	287,064
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular		35,658	35,658	18,273	17,385
Tuition to Other LEAs Within the State-Special	138,150	(138,150)			
Tuition to County Voc. School Dist.-Regular	912,107	87,748	999,855	992,720	7,135
Tuition to County Voc. School Dist.-Special	15,209	(15,209)			
Tuition to Priv. Sch. for the Handicap. W/I State	930,384	(294,736)	635,648	579,161	56,487
Total Undistributed Expenditures - Instruction	1,995,850	(324,689)	1,671,161	1,590,154	81,007
Undistributed Expenditures - Health Services:					
Salaries	450,855	1,668	452,523	452,523	
Purchased Professional and Technical Services	29,800	3,608	33,408	25,872	7,536
Other Purchased Services (400-500 series)	2,100	4,281	6,381	6,173	208
Supplies and Materials	23,925	7,046	30,971	25,798	5,173
Total Undist. Expenditures - Health Services	506,680	16,603	523,283	510,366	12,917
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	710,910	(3,636)	707,274	707,274	
Purchased Professional - Educational Services	4,400	440	4,840	4,840	
Supplies and Materials	2,256		2,256	1,723	533
Total Undist. Expend. - Speech, OT, PT, Related Svcs	717,566	(3,196)	714,370	713,837	533

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 1,257,705	\$ (533,406)	\$ 724,299	\$ 724,299	
Purchased Professional - Educational Services	49,241	(1,280)	47,961	47,022	\$ 939
Supplies and Materials	2,350		2,350	910	1,440
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	1,309,296	(534,686)	774,610	772,231	2,379
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	970,742	8,753	979,495	979,495	
Salaries of Secretarial and Clerical Assistants	163,570	(1,944)	161,626	161,626	
Purchased Professional - Educational Services	3,725		3,725	725	3,000
Other Purchased Prof. and Tech. Services	25,060		25,060	9,081	15,979
Other Purchased Services (400-500 series)	32,571		32,571	29,053	3,518
Supplies and Materials	20,758		20,758	4,276	16,482
Other Objects	1,145	800	1,945	1,096	849
Total Undist. Expend. - Guidance	1,217,571	7,609	1,225,180	1,185,352	39,828
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,108,229	103,455	1,211,684	1,211,684	
Salaries of Secretarial and Clerical Assistants	124,662		124,662	124,662	
Purchased Professional - Educational Services	26,716	(1,100)	25,616	8,271	17,345
Other Purchased Prof. and Tech. Services	20,000	(200)	19,800	12,800	7,000
Other Purchased Services (400-500 series)	5,220		5,220	4,191	1,029
Supplies and Materials	15,674	(3,129)	12,545	8,584	3,961
Other Objects	190	388	578	578	
Total Undist. Expend. - Child Study Team	1,300,691	99,414	1,400,105	1,370,770	29,335

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 308,824	\$ 8,647	\$ 317,471	\$ 317,471	
Salaries of Other Professional Staff	677,501	(71,678)	605,823	605,823	
Purchased Professional - Educational Services	160		160	36	\$ 124
Other Purchased Services (400-500 series)	19,000		19,000	11,268	7,732
Supplies and Materials	2,100		2,100	855	1,245
Other Objects	12,909		12,909	10,754	2,155
Total Undist. Expend.-Improv. of Inst. Serv.	1,020,494	(63,031)	957,463	946,207	11,256
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	260,955	4,323	265,278	265,278	
Salaries of Technology Coordinators	277,496	18,545	296,041	296,041	
Supplies and Materials	16,175	1,951	18,126	17,697	429
Total Undist Expend-Edu. Media Serv./Sch. Library	554,626	24,819	579,445	579,016	429
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	28,160		28,160	8,352	19,808
Other Purchased Services (400-500 series)	37,151	(797)	36,354	6,820	29,534
Supplies and Materials		278	278	278	
Total Undist.Expend.-Instructional Staff Training Services	65,311	(519)	64,792	15,450	49,342

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 537,508	\$ 13,624	\$ 551,132	\$ 551,132	
Legal Services	160,000	14,588	174,588	96,195	\$ 78,393
Audit Fees	60,000		60,000	51,100	8,900
Architectural/Engineering Services	85,398	(49,999)	35,399	20,926	14,473
Other Purchased Professional Services	7,400	5,500	12,900	9,259	3,641
Purchased Technical Services	17,660	5,412	23,072	17,242	5,830
Communications / Telephone	99,370	(18,900)	80,470	72,939	7,531
BOE Other Purchased Services	6,200	360	6,560	1,187	5,373
Other Purch. Serv. (400-500 series other than 530 & 585)	187,689	(55,245)	132,444	120,132	12,312
General Supplies	4,200		4,200	2,177	2,023
BOE In-house training/ Meeting Supplies	950	65	1,015	701	314
Miscellaneous Expenditures	58,580	48,520	107,100	105,412	1,688
Total Undist. Expend.-Support Serv.-Gen. Admin.	1,224,955	(36,075)	1,188,880	1,048,402	140,478
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,203,827	93,686	1,297,513	1,297,513	
Salaries of Secretarial and Clerical Assistants	701,551	26,699	728,250	728,250	
Unused Vacation Payment to Terminated/Retired Staff		17,615	17,615	17,615	
Purchased Professional and Technical Services	6,950	48,931	55,881	54,297	1,584
Other Purchased Services (400-500 series)	29,965	(642)	29,323	17,109	12,214
Supplies and Materials	20,350	(296)	20,054	14,399	5,655
Other Objects	11,665	411	12,076	11,046	1,030
Total Undist. Expend.-Support Serv.-School Adm.	1,974,308	186,404	2,160,712	2,140,229	20,483

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 855,666	\$ (105,301)	\$ 750,365	\$ 750,365	
Purchased Professional Services	62,100		62,100	62,100	
Purchased Technical Services	139,794	(71,130)	68,664	60,362	\$ 8,302
Miscellaneous Purchased Services (400-500 series other than 594)	83,375	1,010	84,385	76,543	7,842
Supplies and Materials	6,050	(619)	5,431	3,255	2,176
Interest on Lease Purchase Agreements	95,722	14,019	109,741	109,741	
Other Objects	2,925	619	3,544	3,519	25
Total Undist. Expend. - Central Services	1,245,632	(161,402)	1,084,230	1,065,885	18,345
Undist. Expend. - Admin. Info. Technology:					
Salaries	371,042	(30,195)	340,847	340,847	
Other Purchased Services (400-500 series)	5,700	(2,977)	2,723	2,723	
Supplies and Materials	1,500	(3)	1,497	394	1,103
Total Undist. Expend. - Admin. Info. Technology	378,242	(33,175)	345,067	343,964	1,103
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	587,437	51,729	639,166	639,166	
Cleaning, Repair, and Maintenance Services	678,975	111,064	790,039	755,793	34,246
Lead Testing of Drinking Water	50,000	(6,013)	43,987	42,180	1,807
General Supplies	290,175	36,871	327,046	286,578	40,468
Total Undist. Expend.- Required Maint. for School Facilities	1,606,587	193,651	1,800,238	1,723,717	76,521

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 1,675,762	\$ 24,431	\$ 1,700,193	\$ 1,700,193	
Cleaning, Repair, and Maintenance Services	56,087	(21,692)	34,395	34,308	\$ 87
Other Purchased Property Services	23,100		23,100	23,100	
Insurance	405,848	(5,972)	399,876	399,876	
Miscellaneous Purchased Services	8,590	(5,172)	3,418	2,380	1,038
General Supplies	231,320	(103,518)	127,802	126,437	1,365
Energy (Natural Gas)	547,300	83,175	630,475	630,262	213
Energy (Electricity)	541,170	64,713	605,883	605,883	
Energy (Oil)	28,400	9,438	37,838	36,765	1,073
Energy (Gasoline)	23,500	(6,700)	16,800	16,792	8
Other Objects	1,650		1,650	350	1,300
Total Undist. Expend.-Custodial Services	3,542,727	38,703	3,581,430	3,576,346	5,084
Care and Upkeep of Grounds:					
Salaries	312,783	16,657	329,440	329,440	
Cleaning, Repair, and Maintenance Services	51,654	38,000	89,654	88,646	1,008
General Supplies	79,139	(29,753)	49,386	45,136	4,250
Total Care And Upkeep Of Grounds	443,576	24,904	468,480	463,222	5,258
Security:					
Salaries	452,295	75,012	527,307	527,307	
Cleaning, Repair, and Maintenance Services	17,370		17,370	11,215	6,155
General Supplies	54,608	(10,117)	44,491	26,078	18,413
Total Security	525,473	63,695	589,168	564,600	24,568
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	6,118,363	320,953	6,439,316	6,327,885	111,431

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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	\$ 173,091	\$ 19,717	\$ 192,808	\$ 192,808	
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,310,157	16,682	1,326,839	1,326,839	
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.		18,510	18,510	18,510	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	100,781	(57,405)	43,376	43,376	
Other Purchased Professional and Technical Services	27,522	4,001	31,523	26,499	\$ 5,024
Cleaning, Repair, and Maint. Services	22,810	10,741	33,551	17,386	16,165
Lease Purchase Payments - School Buses	247,140	33,348	280,488	280,488	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studios	128,150	28,391	156,541	150,765	5,776
Contr Serv.-Aid in Lieu of Payments-Charter Sch Stud.	5,825		5,825	1,177	4,648
Contr Serv.-Aid in Lieu of Payments-Choice Stud.	15,145		15,145	7,062	8,083
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	66,747	25,050	91,797	63,853	27,944
Contract. Serv.(Reg. Students)-ESCs & CTSA's	1,613,500	(158,431)	1,455,069	1,392,099	62,970
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	581,000	(158,869)	422,131	314,196	107,935
Misc. Purchased Serv. - Transportation	44,841	2,779	47,620	45,264	2,356
General Supplies	213,000		213,000	132,000	81,000
Transportation Supplies	106,976	5,767	112,743	97,991	14,752
Other Objects	3,150		3,150	2,375	775
Total Undist. Expend.-Student Trans. Serv.	4,659,835	(209,719)	4,450,116	4,112,688	337,428
ALLOCATED BENEFITS					
Regular Programs - Instruction:					
Unused Sick Payment to Terminated/Retired Staff	55,001	(632)	54,369	54,369	
Total Regular Programs - Instruction	55,001	(632)	54,369	54,369	
Special Programs - Instruction:					
Unused Sick Payment to Terminated/Retired Staff	27,054	(8,467)	18,587	18,587	
Total Special Programs - Instruction	27,054	(8,467)	18,587	18,587	

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Unused Sick Payment to Terminated/Retired Staff	\$ 1,508	\$ (890)	\$ 618	\$ 618	
Total Health Services	<u>1,508</u>	<u>(890)</u>	<u>618</u>	<u>618</u>	
Other Support Services - Students - Extraordinary Services:					
Unused Sick Payment to Terminated/Retired Staff	2,850		2,850	2,850	
Total Other Supp Serv - Students - Extraordinary Serv	<u>2,850</u>		<u>2,850</u>	<u>2,850</u>	
Other Support Services - Child Study Team:					
Unused Sick Payment to Terminated/Retired Staff	3,183		3,183	3,183	
Total Other Supp Serv - Child Study Team	<u>3,183</u>		<u>3,183</u>	<u>3,183</u>	
Support Services - School Administration:					
Unused Sick Payment to Terminated/Retired Staff	5,666	14,855	20,521	20,521	
Total Support Services - School Administration	<u>5,666</u>	<u>14,855</u>	<u>20,521</u>	<u>20,521</u>	
Support Services - Central Services:					
Unused Sick Payment to Terminated/Retired Staff		10,009	10,009	10,009	
Total Support Services - Central Services		<u>10,009</u>	<u>10,009</u>	<u>10,009</u>	
Support Services - Admin. Info. Technology:					
Unused Sick Payment to Terminated/Retired Staff	5,254		5,254	5,254	
Total Support Services - Admin. Info. Technology	<u>5,254</u>		<u>5,254</u>	<u>5,254</u>	
Custodial Services:					
Unused Sick Payment to Terminated/Retired Staff	5,111	(4,704)	407	407	
Total Custodial Services	<u>5,111</u>	<u>(4,704)</u>	<u>407</u>	<u>407</u>	
Security:					
Unused Sick Payment to Terminated/Retired Staff	1,305		1,305	1,305	
Total Security	<u>1,305</u>		<u>1,305</u>	<u>1,305</u>	

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Unused Sick Payment to Terminated/Retired Staff	\$ 988	\$ (63)	\$ 925	\$ 925	
Total Student Transportation Services	988	(63)	925	925	
TOTAL ALLOCATED BENEFITS	107,920	10,108	118,028	118,028	
UNALLOCATED BENEFITS					
Social Security Contributions	1,053,663	(225,957)	827,706	827,706	
Other Retirement Contributions - PERS	1,204,020	(173,931)	1,030,089	1,030,089	
Other Retirement Contributions - Regular		126,476	126,476	126,476	
Workers Compensation	314,246	(32,544)	281,702	272,386	\$ 9,316
Health Benefits	7,479,988	97,765	7,577,753	7,577,753	
Tuition Reimbursement	132,500	(1)	132,499	98,360	34,139
Other Employee Benefits	320,844	6,198	327,042	324,306	2,736
TOTAL UNALLOCATED BENEFITS	10,505,261	(201,994)	10,303,267	10,257,076	46,191
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			2,463,815	2,463,815	(2,463,815)
TPAF Pension Contributions (Non-Budgeted)			8,328,752	8,328,752	(8,328,752)
TPAF Non-Contributory Insurance (Non-Budgeted)			103,171	103,171	(103,171)
TPAF Long-Term Disability Insurance (Non-Budgeted)			3,426	3,426	(3,426)
Reimbursed TPAF Social Security Contributions			1,864,481	1,864,481	(1,864,481)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)			12,763,645	12,763,645	(12,763,645)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	10,613,181	(191,886)	10,421,295	23,138,749	(12,717,454)
TOTAL UNDISTRIBUTED EXPENDITURES	34,902,601	(902,576)	34,000,025	45,861,185	(11,861,160)
TOTAL GENERAL CURRENT EXPENSE	58,134,571	(345,999)	57,788,572	69,362,668	(11,574,096)

JEFFERSON TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 6-8		\$ 39,176	\$ 39,176	\$ 39,176	
Undistributed:					
Undistributed Expenditures - School Admin.		4,037	4,037	4,037	
Undist. Expend. - Required Maint for School Fac.	\$ 29,029	67,093	96,122	96,122	
Undist. Expend. - Care and Upkeep of Grounds		9,199	9,199	9,199	
Undist. Expend.-Student Trans.- Non-Inst. Equip.	131,397	9,230	140,627	140,627	
Total Equipment	160,426	128,735	289,161	289,161	
Facilities Acquisition and Construction Serv.:					
Construction Services	1,436,982	(1,023,357)	413,625	129,309	\$ 284,316
Assessment for Debt Service on SDA Funding	94,542		94,542	94,542	
Total Facilities Acquisition and Const. Serv.	1,531,524	(1,023,357)	508,167	223,851	284,316
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				1,000,000	(1,000,000)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				1,000,000	(1,000,000)
TOTAL CAPITAL OUTLAY	1,691,950	(894,622)	797,328	1,513,012	(715,684)
Transfer of Funds to Charter Schools	134,512	297,071	431,583	391,224	40,359
	134,512	297,071	431,583	391,224	40,359
TOTAL EXPENDITURES	59,961,033	(943,550)	59,017,483	71,266,904	\$ (12,249,421)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,945,431)	1,058,746	(3,886,685)	(2,544,355)	1,342,330

JEFFERSON TOWNSHIP BOARD OF EDUCATION
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):					
Financed Purchases (Non-budgeted)					
Local Contrib. - Transfer to Special Revenue Fund- Inclusion	\$ (539,682)	\$ (1,135,320)	\$ (539,682)	\$ 1,000,000	\$ 1,000,000
Capital Reserve - Transfer to Capital Projects Fund			(1,135,320)	(1,135,320)	
Total Other Financing Sources/(Uses)	<u>(539,682)</u>	<u>(1,135,320)</u>	<u>(1,675,002)</u>	<u>(675,002)</u>	<u>1,000,000</u>
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	(5,485,113)	(76,574)	(5,561,687)	(3,219,357)	2,342,330
Fund Balance, July 1	<u>7,398,215</u>		<u>7,398,215</u>	<u>7,398,215</u>	
Fund Balance, June 30	<u>\$ 1,913,102</u>	<u>\$ (76,574)</u>	<u>\$ 1,836,528</u>	<u>\$ 4,178,858</u>	<u>\$ 2,342,330</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 727,515	
Unemployment Compensation				503,370	
Assigned Fund Balance:					
Year End Encumbrances				45,191	
Designated for Subsequent Year's Expenditures				2,700,000	
Unassigned Fund Balance				<u>202,782</u>	
				<u>4,178,858</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(473,092)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,705,766</u>	

JEFFERSON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 886,584	\$ 254,249	\$ 1,140,833	\$ 1,112,732	\$ (28,101)
State Sources	3,968,250		3,968,250	3,968,250	
Local Sources		631,760	631,760	631,760	
Total Revenues	4,854,834	886,009	5,740,843	5,712,742	(28,101)
OTHER FINANCING SOURCES:					
Transfer in - Board Contribution - General Fund	539,682		539,682	539,682	
Total Revenue and Other Financing Sources	5,394,516	886,009	6,280,525	6,252,424	(28,101)
EXPENDITURES:					
Instruction					
Salaries of Teachers	1,746,739	(231,163)	1,515,576	1,512,846	2,730
Other Salaries for Instruction	653,718	97,895	751,613	751,613	
Purchased Professional/Educational Services		9,474	9,474	9,474	
Other Purchased Services	573,381	114,628	688,009	688,009	
Tuition - Other LEAs within the State					
General Supplies	102,414	143,782	246,196	231,498	14,698
Other Objects		2,000	2,000	742	1,258
Total Instruction	3,076,252	136,616	3,212,868	3,194,182	18,686
Support Services					
Salaries of Other Professional Staff	503,718	56,925	560,643	560,113	530
Salaries of Secretarial and Clerical Assistants	95,143	(11,847)	83,296	83,296	
Other Salaries	589,371	(75,258)	514,113	510,035	4,078
Personal Service - Employee Benefits	629,269	156,876	786,145	786,145	
Purchased Professional - Educational Services	93,985	(39,566)	54,419	54,419	
Other Purchased Professional Services	59,148	8,804	67,952	67,952	
Purchased Professional - Technical Services	32,100	27,135	59,235	55,327	3,908
Purchased Property Services		114,812	114,812	114,812	
Other Purchased Services		6,608	6,608	6,608	
Travel		110	110	27	83
Miscellaneous Purchased Services		3,937	3,937	3,937	
Supplies and Materials	239,030	(77,669)	161,361	160,545	816
Other Objects	76,500	(53,234)	23,266	23,266	
Scholarships Awarded		31,820	31,820	29,965	1,855
Student Activities		599,940	599,940	552,292	47,648
Total Support Services	2,318,264	749,393	3,067,657	3,008,739	58,918
Total Expenditures	5,394,516	886,009	6,280,525	6,202,921	77,604
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 49,503	\$ 49,503

JEFFERSON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 68,722,549	\$ 5,712,742
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and Revenue on the Budgetary Basis but not on the GAAP Basis.		
Current Year Encumbrances		(3,937)
Prior Year Encumbrances		63,913
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	493,703	277,537
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(473,092)</u>	<u>(396,825)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 68,743,160</u>	<u>\$ 5,653,430</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 71,266,904	\$ 6,202,921
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(3,937)
Prior Year Encumbrances		<u>63,913</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 71,266,904</u>	<u>\$ 6,262,897</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. Budget amendments/transfers must be made by Board resolution. All budgeting 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 not 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 GAAP revenue due to a difference in recognition of the last state aid payments for the current year. Since the State is recording the last 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

JEFFERSON TOWNSHIP 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	Title III	Title III Immigrant	Title IV
REVENUE:					
Federal Sources	\$ 87,609	\$ 37,105	\$ 13,226	\$ 1,646	\$ 16,258
State Sources					
Local Sources					
Total Revenue	87,609	37,105	13,226	1,646	16,258
OTHER FINANCING SOURCES:					
Transfer in - Board Contribution - General Fund					
Total Revenue and Other Financing Sources	87,609	37,105	13,226	1,646	16,258
EXPENDITURES:					
Instruction:					
Salaries of Teachers	5,703		7,635		16,258
Other Salaries for Instruction					
Purchased Professional/Educational Services		9,474			
Other Purchased Services					
General Supplies	56,727		1,028		
Other Objects	742				
Total Instruction	63,172	9,474	8,663		16,258
Support Services:					
Salaries of Other Professional Staff			4,563	359	
Salaries of Secretarial and Clerical Assistants					
Other Salaries					
Personal Service - Employee Benefits					
Purchased Professional - Educational Services					
Other Purchased Professional Services					
Purchased Professional - Technical Services	24,244	9,408			
Purchased Property Services					
Other Purchased Services		6,608			
Travel					
Miscellaneous Purchased Services					
Supplies and Materials		11,615		1,287	
Other Objects	193				
Scholarships Awarded					
Student Activities					
Total Support Services	24,437	27,631	4,563	1,646	
Total Expenditures	\$ 87,609	\$ 37,105	\$ 13,226	\$ 1,646	\$ 16,258

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

	Education Stabilization Aid				
	American Rescue Plan				
	ESSER III	Accelerated Learning Coaching and Educator Support	NJTSS Mental Health Support Staffing	NJ High Impact Tutoring Competitive	Preschool Education Aid
REVENUE:					
Federal Sources	\$ 114,812	\$ 35,908	\$ 11,902	\$ 73,559	
State Sources					\$ 3,968,250
Local Sources					
Total Revenue	114,812	35,908	11,902	73,559	3,968,250
OTHER FINANCING SOURCES:					
Transfer in - Board Contribution - General Fund					539,682
Total Revenue and Other Financing Sources	114,812	35,908	11,902	73,559	4,507,932
EXPENDITURES:					
Instruction:					
Salaries of Teachers				70,217	1,413,033
Other Salaries for Instruction					718,915
Purchased Professional/Educational Services					
Other Purchased Services					
General Supplies				3,342	170,401
Other Objects					
Total Instruction				73,559	2,302,349
Support Services:					
Salaries of Other Professional Staff			4,400		550,791
Salaries of Secretarial and Clerical Assistants					83,296
Other Salaries					510,035
Personal Service - Employee Benefits					786,145
Purchased Professional - Educational Services					54,419
Other Purchased Professional Services					67,952
Purchased Professional - Technical Services		19,129	2,546		
Purchased Property Services	114,812				
Other Purchased Services					
Travel					27
Miscellaneous Purchased Services					3,937
Supplies and Materials		16,779	4,956		125,908
Other Objects					23,073
Scholarships Awarded					
Student Activities					
Total Support Services	114,812	35,908	11,902		2,205,583
Total Expenditures	\$ 114,812	\$ 35,908	\$ 11,902	\$ 73,559	\$ 4,507,932

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

	IDEA		Student		
	Basic	Preschool	Activities	Scholarship	Total
REVENUE:					
Federal Sources	\$ 688,009	\$ 32,698			\$ 1,112,732
State Sources					3,968,250
Local Sources			\$ 599,940	\$ 31,820	631,760
Total Revenue	688,009	32,698	599,940	31,820	5,712,742
OTHER FINANCING SOURCES:					
Transfer in - Board Contribution - General Fund					539,682
Total Revenue and Other Financing Sources	688,009	32,698	599,940	31,820	6,252,424
EXPENDITURES:					
Instruction:					
Salaries of Teachers					1,512,846
Other Salaries for Instruction		32,698			751,613
Purchased Professional/Educational Services					9,474
Other Purchased Services	688,009				688,009
General Supplies					231,498
Other Objects					742
Total Instruction	688,009	32,698			3,194,182
Support Services:					
Salaries of Other Professional Staff					560,113
Salaries of Secretarial and Clerical Assistants					83,296
Other Salaries					510,035
Personal Service - Employee Benefits					786,145
Purchased Professional - Educational Services					54,419
Other Purchased Professional Services					67,952
Purchased Professional - Technical Services					55,327
Purchased Property Services					114,812
Other Purchased Services					6,608
Travel					27
Miscellaneous Purchased Services					3,937
Supplies and Materials					160,545
Other objects					23,266
Scholarships Awarded				29,965	29,965
Student Activities			552,292		552,292
Total Support Services			552,292	29,965	3,008,739
Total Expenditures	\$ 688,009	\$ 32,698	\$ 552,292	\$ 29,965	\$ 6,202,921

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 1,413,033	\$ 1,413,033	
Other Salaries for Instruction	718,915	718,915	
General Supplies	170,401	170,401	
	<u>2,302,349</u>	<u>2,302,349</u>	
Total instruction			
Support services:			
Salaries of Other Professional Staff	550,791	550,791	
Salaries of Secretarial and Clerical Assistants	83,296	83,296	
Other Salaries	510,035	510,035	
Personal Service - Employee Benefits	786,145	786,145	
Purchased Professional - Educational Services	54,419	54,419	
Other Purchased Professional Services	67,952	67,952	
Travel	27	27	
Miscellaneous Purchased Services	3,937	3,937	
Supplies and Materials	125,908	125,908	
Other Objects	23,073	23,073	
	<u>2,205,583</u>	<u>2,205,583</u>	
Total support services			
Total expenditures	<u>\$ 4,507,932</u>	<u>\$ 4,507,932</u>	<u>\$ -0-</u>
State Grant Expenditures		\$ 3,968,250	
Local Expenditures		539,682	
		<u>\$ 4,507,932</u>	

SUMMARY OF LOCATION TOTALS

Total Revised 2024-25 Preschool Education Allocation	\$ 3,968,250
Add: Actual Preschool Education Aid Carryover (June 30, 2024)	21,804
Add: Budgeted Transfer from General Fund	539,682
Total Preschool Education Aid Funds Available for 2024-25 Budget	4,529,736
Less: 2024-25 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(4,507,932)
Available & Unbudgeted Preschool Aid Funds as of June 30, 2025	21,804
Add: June 30, 2025 Unexpended Preschool Education Aid	-0-
Carryover - Preschool Education Aid	<u>\$ 21,804</u>
Available for Budgeting for Preschool Programs - State Portion	<u>\$ 21,804</u>

CAPITAL PROJECTS FUND

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
State Sources - SDA Grants	\$ 756,880
Interest on Investments	12,023
Total Revenue and Other Financing Sources	<u>768,903</u>
Expenditures:	
Architectural/Engineering Services	151,319
Construction Services	1,306,251
Total Expenditures	<u>1,457,570</u>
Other Financing Sources/(Uses):	
Transfer from General Fund	1,135,320
Transfer to Debt Service Fund	<u>(12,023)</u>
Total Other Financing Sources/(Uses)	<u>1,123,297</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other (Uses)	(688,667)
Fund Balance - Beginning of Year	<u>335,420</u>
Fund Balance - End of Year	<u><u>\$ 770,050</u></u>
Recapitulation:	
Restricted	\$ 167,269
Committed	429,400
Committed - Year-End Encumbrances	<u>173,381</u>
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(756,880)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 13,170</u></u>
Recapitulation:	
Restricted	\$ 167,269
Unassigned	<u>(154,099)</u>
	<u><u>\$ 13,170</u></u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
UPGRADING OF EXISTING FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 9,935,000		\$ 9,935,000	\$ 9,935,000
Total Revenue and Other Financing Sources	9,935,000		9,935,000	9,935,000
Expenditures:				
Legal Services	35,971		35,971	29,207
Architectural/Engineering Services	476,656		476,656	516,675
Other Purchased Professional and Technical Services	141,990		141,990	110,655
Construction Services	7,672,411	\$ 168,151	7,840,562	7,935,472
Supplies and Materials	941,610		941,610	842,991
Equipment	330,942		330,942	500,000
Total Expenditures	9,599,580	168,151	9,767,731	9,935,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 335,420	\$ (168,151)	\$ 167,269	\$ -0-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bonds Authorized Date	11/29/2018
Original Authorized Cost	\$ 9,935,000
Revised Authorized Cost	9,935,000
Percentage Completion	98.32%
Original Target Completion Date	6/30/2021
Revised Target Completion Date	6/30/2026

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ROOF REPLACEMENT AT WHITE ROCK SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:			
State Sources - SDA Grants	\$ 756,880	\$ 756,880	\$ 756,880
Transfer from Capital Reserve	<u>1,135,320</u>	<u>1,135,320</u>	<u>1,135,320</u>
Total Revenue and Other Financing Sources	<u>1,892,200</u>	<u>1,892,200</u>	<u>1,892,200</u>
Expenditures:			
Architectural/Engineering Services	151,319	151,319	200,000
Construction Services	<u>1,138,100</u>	<u>1,138,100</u>	<u>1,692,200</u>
Total Expenditures	<u>1,289,419</u>	<u>1,289,419</u>	<u>1,892,200</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u><u>\$ 602,781</u></u>	<u><u>\$ 602,781</u></u>	<u><u>\$ -0-</u></u>
Additional Project Information:			
Project Number	2380-070-23-R501		
Grant Date	5/7/2024		
Original Authorized Cost	\$ 1,892,200		
Revised Authorized Cost	1,892,200		
Percentage Completion	68.14%		
Original Target Completion Date	6/30/2026		

PROPRIETARY FUNDS

JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 397,071
Intergovernmental Accounts Receivable:	
Federal	26,392
State	2,100
Other Accounts Receivable	21,800
Interfund Receivable - General Fund	21,435
Inventories	12,714

Total Current Assets	<u>481,512</u>
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Non-Current Assets:

Capital Assets	490,981
Less: Accumulated Depreciation	<u>(310,759)</u>

Total Non-Current Assets	<u>180,222</u>
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Total Assets	<u>661,734</u>
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LIABILITIES:

Unearned Revenue - Prepaid Sales	25,382
Unearned Revenue - Donated Commodities	<u>2,512</u>

Total Liabilities	<u>27,894</u>
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NET POSITION:

Investment in Capital Assets	180,222
Unrestricted	<u>453,618</u>

Total Net Position	<u><u>\$ 633,840</u></u>
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JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 835,517
Daily Sales - Non-reimbursable Programs	97,136
Special Events	21,229

Total Operating Revenue

 953,882

Operating Expenses:

Cost of Sales - Reimbursable Programs	516,092
Cost of Sales - Non-Reimbursable Programs	57,344
Salaries, Benefits & Payroll Taxes	519,510
Supplies, Insurance & Other Costs	67,748
Management Fee	73,087
Miscellaneous Expenditures	26,359
Depreciation Expense	15,166

Total Operating Expenses

 1,275,306

Operating Loss

 (321,424)

Non-Operating Revenue:

Local Sources:

Interest Income	14,665
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State Sources:

State School Breakfast Program	3,266
State School Lunch Program	22,911

Federal Sources:

National School Lunch Program	290,424
School Breakfast Program	55,901
Food Distribution Program	68,578

Total Non-Operating Revenue

 455,745

Change in Net Position

 134,321

Net Position - Beginning of Year

 499,519

Net Position - End of Year

 \$ 633,840

JEFFERSON TOWNSHIP BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 955,469
Payments to Food Service Vendor	(1,235,778)
Net Cash (Used for) Operating Activities	(280,309)
Cash Flows (Used for) Capital and Related Financing Activities:	
Purchase of Capital Assets	(69,653)
Net Cash (Used for) Capital and Related Financing Activities	(69,653)
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	14,665
Net Cash Provided by Investing Activities	14,665
Cash Flows from Noncapital Financing Activities:	
State Sources:	
State School Lunch Program	28,485
Federal Sources:	
National School Lunch Program	317,387
Net Cash Provided by Noncapital Financing Activities	401,773
Net Increase in Cash and Cash Equivalents	66,476
Cash and Cash Equivalents, July 1	330,595
Cash and Cash Equivalents, June 30	\$ 397,071
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (321,424)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	15,166
Federal Food Distribution Program	68,578
Changes in Assets and Liabilities:	
(Increase)/Decrease in Other Accounts Receivable	1,769
(Increase)/Decrease in Inventories	(2,421)
Increase/(Decrease) in Accounts Payable	(42,999)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(182)
Increase/(Decrease) in Unearned Revenue - Donated Commodities	1,204
Net Cash (Used for) Operating Activities	\$ (280,309)

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$69,782 and \$68,578, respectively, the fiscal year ended June 30, 2025.

FIDUCIARY ACTIVITIES
NOT APPLICABLE

LONG-TERM LIABILITIES

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance June 30, 2024	Matured	Balance June 30, 2025
			Outstanding June 30, 2025							
	Date	Amount								
Referendum School Bonds - Series 2018	11/29/2018	\$ 9,935,000	9/15/2025	\$	325,000	3.250%	\$ 8,310,000	\$ 325,000	\$ 7,985,000	
			9/15/2026		325,000	3.250%				
			9/15/2027		325,000	3.250%				
			9/15/2028		650,000	3.250%				
			9/15/2029		650,000	3.375%				
			9/15/2030		650,000	3.375%				
			9/15/2031		650,000	3.375%				
			9/15/2032		650,000	3.500%				
			9/15/2033		650,000	3.500%				
			9/15/2034		635,000	3.500%				
			9/15/2035		625,000	4.000%				
			9/15/2036		625,000	4.000%				
		9/15/2037		625,000	4.000%					
		9/15/2038		600,000	4.000%					
Refunding School Bonds - Series 2021	3/17/2021	9,050,000	9/15/2025		1,735,000	1.077%	6,990,000	1,715,000	5,275,000	
			9/15/2026		1,760,000	1.277%				
			9/15/2027		1,780,000	1.581%				
							\$ 15,300,000	\$ 2,040,000	\$ 13,260,000	

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2024</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
Various Capital Equipment and Vehicles	2.398%	\$ 1,000,000	\$ 504,654		\$ 249,337	\$ 255,317
Various Capital Equipment and Vehicles	4.120%	1,000,000	746,854		238,971	507,883
Various Capital Equipment and Vehicles	3.980%	1,000,000		<u>\$ 1,000,000</u>		<u>1,000,000</u>
			<u>\$ 1,251,508</u>	<u>\$ 1,000,000</u>	<u>\$ 488,308</u>	<u>\$ 1,763,200</u>

JEFFERSON TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON 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	\$ 2,173,262		\$ 2,173,262	\$ 2,173,262	
State Sources:					
Debt Service State Aid Support	209,314		209,314	209,314	
Total Revenue	2,382,576		2,382,576	2,382,576	
EXPENDITURES:					
Regular Debt Service:					
Interest	365,954		365,954	365,954	
Redemption of Principal	2,040,000		2,040,000	2,040,000	
Total Regular Debt Service	2,405,954		2,405,954	2,405,954	
Total Expenditures	2,405,954		2,405,954	2,405,954	
Excess/(Deficit) of Revenues Over/Under Expenditures	(23,378)		(23,378)	(23,378)	
OTHER FINANCING SOURCES:					
Transfers In - Capital Projects Fund - Interest Earned				12,023	\$ 12,023
Total Other Financing Sources				12,023	12,023
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(23,378)		(23,378)	(11,355)	12,023
Fund Balance, July 1	43,552		43,552	43,552	
Fund Balance, June 30	\$ 20,174	\$ -0-	\$ 20,174	\$ 32,197	\$ 12,023
Recapitulation of Fund Balance:					
Restricted for Subsequent Year's Expenditures 2025-2026				\$ 20,174	
Restricted for Subsequent Year's Expenditures 2026-2027				12,023	
				\$ 32,197	

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 34,700,172	\$ 35,545,516	\$ 37,344,518	\$ 30,052,866	\$ 35,869,963	\$ 37,614,099	\$ 40,395,818	\$ 9,498,553	\$ 12,898,223	\$ 15,591,356
Unrestricted/(Deficit)	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552	6,522,933	3,786,238	1,813,381
Total Governmental Activities Net Position	<u>\$ 17,374,932</u>	<u>\$ 17,136,336</u>	<u>\$ 18,483,975</u>	<u>\$ 19,524,420</u>	<u>\$ 23,169,715</u>	<u>\$ 29,845,545</u>	<u>\$ 36,399,591</u>	<u>\$ 5,758,251</u>	<u>\$ 5,426,998</u>	<u>\$ 5,688,698</u>
Business-type Activities										
Investment in Capital Assets										
Unrestricted	\$ 78,235	\$ 61,557	\$ 77,433	\$ 59,184	\$ 46,671	\$ 67,856	\$ 115,227	\$ 115,634	\$ 125,735	\$ 180,222
Total Business-type Activities Net Position	<u>\$ 206,062</u>	<u>\$ 196,788</u>	<u>\$ 148,134</u>	<u>\$ 131,732</u>	<u>\$ 48,202</u>	<u>\$ 123,085</u>	<u>\$ 292,591</u>	<u>\$ 292,477</u>	<u>\$ 373,784</u>	<u>\$ 453,618</u>
District-wide										
Net Investment in Capital Assets										
Restricted	\$ 34,778,407	\$ 35,607,073	\$ 37,421,951	\$ 30,112,050	\$ 35,916,634	\$ 37,681,955	\$ 40,511,045	\$ 9,614,187	\$ 13,023,958	\$ 15,771,578
Unrestricted/(Deficit)	712,513	959,590	582,028	1,607,492	4,407,940	8,219,295	10,598,552	6,522,933	3,786,238	1,813,381
Total District Net Position	<u>\$ 17,659,229</u>	<u>\$ 17,394,681</u>	<u>\$ 18,709,542</u>	<u>\$ 19,715,336</u>	<u>\$ 23,264,588</u>	<u>\$ 30,036,486</u>	<u>\$ 36,807,409</u>	<u>\$ 6,166,362</u>	<u>\$ 5,926,517</u>	<u>\$ 6,322,538</u>

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 29,871,502	\$ 32,985,040	\$ 31,351,750	\$ 30,288,356	\$ 29,155,982	\$ 29,849,752	\$ 25,889,262	\$ 26,627,666	\$ 29,058,103	\$ 27,669,726
Special Education	8,109,773	9,090,484	8,540,678	8,379,283	8,902,984	8,802,185	8,276,268	8,160,560	8,504,287	8,811,666
Other Special Education	1,742,187	1,660,408	1,347,777	1,172,722	1,173,001	1,254,944	1,250,367	1,665,545	1,839,017	1,807,191
Other Instruction	1,382,045	1,459,397	1,357,989	1,380,364	1,345,961	866,935	1,015,498	945,825	1,277,364	1,218,046
Support Services:										
Tuition	2,633,093	2,686,644	3,366,431	3,466,834	3,591,379	2,968,115	2,444,043	2,593,614	1,794,584	1,590,154
Student & Instruction Related Services	10,027,155	10,333,513	10,314,566	12,054,255	11,046,236	8,539,808	9,958,142	10,277,855	8,380,659	8,253,287
General Administrative Services	1,259,968	1,533,903	1,524,568	1,385,345	1,345,794	1,327,333	1,406,967	1,464,663	1,373,544	1,210,990
School Administrative Services	3,813,932	4,322,382	4,201,504	4,152,097	4,275,131	3,818,280	3,338,763	3,094,769	2,891,996	2,969,335
Central Services	1,297,648	1,465,796	1,368,037	1,531,485	1,606,337	1,223,212	1,325,821	1,407,031	1,173,187	1,286,136
Administrative Information Technology	540,867	557,737	572,223	330,943	344,228	347,805	370,961	361,190	377,221	365,315
Plant Operations and Maintenance	6,050,721	7,075,728	6,709,926	7,053,846	6,717,168	5,710,129	6,721,134	6,485,075	6,688,629	7,307,205
Pupil Transportation	3,511,439	3,892,271	3,254,401	3,950,910	3,826,202	2,687,758	4,123,210	4,561,327	3,858,309	4,090,159
Unallocated Depreciation	469,058	469,058	469,058	470,009	470,009	470,009	470,009	470,009	541,520	391,224
Charter Schools	64,130	62,781	92,116	13,248	13,803	44,729	153,643	75,687	102,880	391,224
Interest on Long-term Debt	680,956	593,881	570,658	686,606	848,811	580,304	324,390	501,568	462,221	440,527
Capital Outlay	94,542	94,542	94,542	94,542	94,542	94,542	94,542	94,542	94,542	94,542
Total Governmental Activities Expenses	71,549,016	78,283,565	75,136,224	76,411,045	74,757,568	68,585,840	67,163,020	68,786,926	68,418,063	67,505,503

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type Activities:										
Food Service	\$ 1,179,383	\$ 1,251,597	\$ 1,225,160	\$ 1,203,822	\$ 956,774	\$ 722,763	\$ 1,480,760	\$ 1,312,940	\$ 1,263,579	\$ 1,275,306
Total Business-type Activities Expense	1,179,383	1,251,597	1,225,160	1,203,822	956,774	722,763	1,480,760	1,312,940	1,263,579	1,275,306
Total District Expenses	72,728,399	79,535,162	76,361,384	77,614,867	75,714,342	69,308,603	68,643,780	70,099,866	69,681,642	68,780,809
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	194,621	184,805	275,451	254,013	450,073	404,126	474,538	422,122	365,842	419,096
Student & Instruction Related Services						154,254	436,614	548,502	649,115	631,760
Operating Grants and Contributions	30,582,566	35,401,476	32,132,368	32,575,083	31,041,693	27,752,131	24,913,052	23,434,725	16,198,086	14,077,818
Total Governmental Activities Program Revenues	30,777,187	35,586,281	32,407,819	32,829,096	31,491,766	28,310,511	25,824,204	24,405,349	17,213,043	15,128,674
Business-type Activities:										
Charges for Services:										
Food Service	895,294	876,047	850,596	849,257	602,033	36,114	167,817	818,626	888,381	953,882
Operating Grants and Contributions	319,548	348,720	339,779	316,881	257,709	782,604	1,529,477	562,498	452,720	441,080
Capital Grants and Contributions	5,794									
Total Business-type Activities Program Revenues	1,220,636	1,224,767	1,190,375	1,166,138	859,742	818,718	1,697,294	1,381,124	1,341,101	1,394,962
Total District Program Revenues	31,997,823	36,811,048	33,598,194	33,995,234	32,351,508	29,129,229	27,521,498	25,786,473	18,554,144	16,523,636
Net (Expense)/Revenue										
Governmental Activities	(40,771,829)	(42,697,284)	(42,728,405)	(43,581,949)	(43,265,802)	(40,275,329)	(41,338,816)	(44,381,577)	(51,205,020)	(52,376,829)
Business-type Activities	41,253	(26,830)	(34,785)	(37,684)	(97,032)	95,955	216,534	68,184	77,522	119,656
Total District-wide Net Expense	(40,730,576)	(42,724,114)	(42,763,190)	(43,619,633)	(43,362,834)	(40,179,374)	(41,122,282)	(44,313,393)	(51,127,498)	(52,257,173)

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 39,409,587	\$ 40,197,779	\$ 41,487,430	\$ 42,317,179	\$ 43,163,523	\$ 44,287,305	\$ 45,173,051	\$ 46,076,512	\$ 47,658,042	\$ 48,940,863
Taxes Levied for Debt Service	1,855,967	1,967,331	1,862,707	1,872,257	2,379,325	2,216,116	2,186,676	2,247,441	2,192,937	2,173,262
Unrestricted Grants and Contributions	761,653	166,221	535,074	84,234	314,305	296,701	272,080	281,904	260,059	229,332
Investment Earnings	679	2,337	5,676	96,558	147,419	30,128	13,941	62,015	463,637	332,078
Miscellaneous Income	237,050	125,020	185,157	252,166	90,360	120,909	247,114	570,459	299,092	962,994
Total Governmental Activities	42,264,936	42,458,688	44,076,044	44,622,394	46,094,932	46,951,159	47,892,862	49,238,331	50,873,767	52,638,529
Business-type Activities:										
Miscellaneous/Investment Earnings	421	878	2,007	3,033	989	113	343	8,466	13,886	14,665
Total Business-type Activities	421	878	2,007	3,033	989	113	343	8,466	13,886	14,665
Total District-wide	42,265,357	42,459,566	44,078,051	44,625,427	46,095,921	46,951,272	47,893,205	49,246,797	50,887,653	52,653,194
Change in Net Position:										
Governmental Activities	1,493,107	(238,596)	1,347,639	1,040,445	2,829,130	6,675,830	6,554,046	4,856,754	(331,253)	261,700
Business-type Activities	41,674	(25,952)	(32,778)	(34,651)	(96,043)	96,068	216,877	76,650	91,408	134,321
Total District	\$ 1,534,781	\$ (264,548)	\$ 1,314,861	\$ 1,005,794	\$ 2,733,087	\$ 6,771,898	\$ 6,770,923	\$ 4,933,404	\$ (239,845)	\$ 396,021

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 712,511	\$ 959,588	\$ 582,026	\$ 1,497,827	\$ 3,996,043	\$ 7,896,139	\$ 8,605,386	\$ 5,709,324	\$ 3,073,739	\$ 1,230,885
Assigned	858,301	1,312,842	1,760,366	1,268,694	1,001,807	639,847	1,990,287	4,130,849	3,208,605	2,474,881
Unassigned						1,317,187	1,382,973	1,402,442	622,168	
Total General Fund	<u>\$ 1,570,812</u>	<u>\$ 2,272,430</u>	<u>\$ 2,342,392</u>	<u>\$ 2,766,521</u>	<u>\$ 4,997,850</u>	<u>\$ 9,853,173</u>	<u>\$ 11,978,646</u>	<u>\$ 11,242,615</u>	<u>\$ 6,904,512</u>	<u>\$ 3,705,766</u>
All Other Governmental Funds										
Restricted	\$ 2	\$ 2	\$ 2	\$ 8,096,784	\$ 3,588,743	\$ 2,648,996	\$ 1,993,166	\$ 813,609	\$ 712,499	\$ 582,496
Unassigned/(Deficit)								(103,448)	(277,537)	(550,924)
Total All Other Governmental Funds	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 8,096,784</u>	<u>\$ 3,588,743</u>	<u>\$ 2,648,996</u>	<u>\$ 1,993,166</u>	<u>\$ 710,161</u>	<u>\$ 434,962</u>	<u>\$ 31,572</u>

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 41,265,554	\$ 42,165,110	\$ 43,350,137	\$ 44,189,436	\$ 45,542,848	\$ 46,503,421	\$ 47,359,727	\$ 48,323,953	\$ 49,850,979	\$ 51,114,125
Tuition Charges	193,942	184,805	275,451	254,013	450,073	404,126	474,538	422,122	365,842	419,096
Interest Earnings	679	2,337	5,676	6,055	147,419	30,128	13,941	62,015	463,637	332,078
Miscellaneous	237,729	125,020	183,157	342,669	903,360	307,728	683,728	1,118,961	948,207	1,594,754
State Sources	22,891,095	22,924,636	23,866,609	24,336,436	24,134,495	24,060,426	23,773,299	22,445,172	21,580,050	22,198,386
Federal Sources	946,913	895,848	1,027,079	1,109,667	1,010,897	1,443,008	2,877,566	1,954,825	2,015,767	1,132,750
Total Revenue	62,994,859	66,297,756	68,710,109	70,268,270	71,376,092	72,748,837	75,182,799	74,327,048	75,224,482	76,791,189
Expenditures										
Instruction										
Regular Instruction	16,526,811	16,425,830	17,214,473	17,172,144	16,374,273	16,181,749	17,955,220	18,085,983	20,300,724	20,613,798
Special Education Instruction	4,096,891	4,156,059	4,733,768	4,787,726	5,050,810	5,255,890	5,685,704	5,565,227	5,998,383	6,518,691
Other Special Instruction	920,618	771,875	680,200	627,824	630,245	644,038	733,234	1,033,062	1,163,241	1,213,597
Other Instruction	795,666	798,770	783,621	853,597	822,096	561,433	708,403	708,245	836,538	909,611
Support Services:										
Tuition	3,379,206	3,386,791	3,366,431	3,466,834	3,591,379	2,795,626	2,444,043	2,593,614	1,794,584	1,590,154
Student & Instruction Related Services	7,046,642	6,811,119	7,638,253	7,638,253	6,981,369	6,366,194	6,583,864	6,732,445	6,828,307	6,681,519
General Administration	857,398	1,074,111	1,065,091	903,671	816,543	939,463	923,858	955,695	1,023,094	1,048,402
School / Administrative Services	2,281,092	2,319,121	2,452,091	2,433,178	2,497,249	2,269,351	2,241,988	2,015,447	2,045,640	2,160,750
Central Services	833,656	866,409	897,052	924,667	950,747	890,284	965,645	1,014,173	1,050,670	1,075,894
Administrative Information Technology	540,867	557,737	572,223	330,943	344,228	347,805	370,961	361,190	377,221	349,218
Plant Operations and Maintenance	5,077,553	5,793,731	5,751,061	5,457,898	4,966,225	4,842,917	5,445,965	5,568,745	6,214,597	6,329,597
Pupil Transportation	3,417,578	3,619,644	3,533,082	3,888,962	3,733,526	2,841,627	3,747,676	4,005,141	4,032,010	4,113,613
Employee Benefits	16,412,686	16,696,396	17,436,088	19,154,705	20,098,414	21,117,189	21,896,801	22,236,865	23,106,889	23,020,721
Charter Schools	64,130	62,781	92,116	13,248	13,803	44,729	153,643	75,687	102,880	391,224
Capital Outlay	1,192,058	1,112,543	2,179,100	2,156,453	4,964,356	1,405,922	2,572,988	3,924,034	2,551,007	2,970,582
Debt Service:										
Principal	1,250,000	1,310,000	1,225,000	1,285,000	1,670,000	1,725,000	1,965,000	2,030,000	2,025,000	2,040,000
Interest and Other Charges	751,806	700,331	637,707	587,256	963,706	824,044	518,163	440,531	386,999	365,954
Total Expenditures	63,733,834	66,463,248	69,973,701	71,682,359	74,468,969	69,033,261	74,713,156	77,346,084	79,837,784	81,393,325
Excess (Deficiency) of Revenues	(738,975)	(165,492)	(1,263,592)	(1,414,089)	(3,092,877)	3,695,576	469,643	(3,019,036)	(4,613,302)	(4,602,136)
Over (Under) Expenditures										

JEFFERSON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
School Bonds Issued				\$ 9,935,000		\$ 9,050,000				
School Bonds Defeased						(8,415,000)				
School Bond Deferred Interest						(494,510)				
School Bond Issuance Costs						(140,490)				
Transfers In	\$ 10,563			109,662	\$ 76,536	6,592	\$ 6,157	\$ 264,285	\$ 545,244	\$ 1,687,025
Transfers Out	(10,563)			(109,662)	(76,536)	(6,592)	(6,157)	(264,285)	(545,244)	(1,687,025)
Financed Purchases (non-budgeted)	773,224	\$ 867,110	\$ 1,333,554			220,000	1,000,000	1,000,000		1,000,000
Total Other Financing Sources (Uses)	773,224	867,110	1,333,554	9,935,000	-0-	220,000	1,000,000	1,000,000	-0-	1,000,000
Net Change in Fund Balances	\$ 34,249	\$ 701,618	\$ 69,962	\$ 8,520,911	\$ (3,092,877)	\$ 3,915,576	\$ 1,469,643	\$ (2,019,036)	\$ (4,613,302)	\$ (3,602,136)
Debt Service as a Percentage of Noncapital Expenditures	3.31%	3.17%	2.83%	2.77%	3.94%	3.92%	3.55%	3.48%	3.22%	3.17%

Source: Jefferson School District Financial Reports

JEFFERSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Insurance Refund	Other Miscellaneous	Total
2016	\$ 194,621	\$ 679		\$ 237,050	\$ 432,350
2017	191,942	2,337		125,020	319,299
2018	275,451	5,676		185,157	466,284
2019	254,013	6,055		233,007	493,075
2020	450,073	70,883		90,360	611,316
2021	404,126	22,412		122,033	548,571
2022	474,538	7,784		247,114	729,436
2023	422,122	378,813		230,283	1,031,218
2024	365,842	443,463		299,092	1,108,397
2025	419,096	320,055	\$ 232,702	730,292	1,702,145

Source: Jefferson Township School District records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	County Equalized Value
2015	\$ 55,693,500	\$ 2,233,384,000	\$ 7,014,000	\$ 184,890,200	\$ 5,196,100	\$ 22,217,400	\$ 2,508,395,200	\$ 100	\$ 2,508,395,300	\$ 1.627	\$ 2,614,818,405
2016	54,449,200	2,285,534,600	6,787,100	186,018,900	5,205,200	22,443,700	2,560,438,700	100	2,560,743,500	1.633	2,623,759,511
2017	52,018,300	2,279,787,000	6,749,200	186,255,700	5,196,200	22,736,800	2,552,743,200	100	2,553,047,900	1.633	2,683,895,422
2018	52,760,500	2,363,980,700	7,419,300	194,130,800	5,250,100	23,995,500	2,647,536,900	100	2,647,537,000	1.654	2,675,339,196
2019	53,375,600	2,454,727,000	7,612,000	200,594,600	5,340,900	25,006,300	2,746,656,400	100	2,746,656,500	1.628	2,740,252,289
2020	55,989,800	2,526,909,600	7,561,900	201,967,400	5,470,800	25,466,800	2,823,366,300	100	2,823,366,400	1.641	2,771,996,732
2021	56,398,700	2,536,552,300	6,855,000	204,096,600	5,541,900	25,821,600	2,835,266,100	100	2,835,266,200	1.659	2,800,655,493
2022	53,239,100	2,548,818,000	7,640,900	203,157,300	5,541,900	25,862,200	2,844,523,500	100	2,844,523,600	1.699	2,911,116,772
2023	47,377,500	2,574,116,500	7,405,600	206,841,880	5,808,900	25,862,200	2,867,412,580	100	2,867,412,680	1.739	3,120,417,982
2024	46,614,600	2,596,842,600	9,235,600	206,737,560	5,164,400	26,096,300	2,890,979,560	100	2,890,979,660	1.768	3,341,512,067

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Jefferson School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Jefferson Township	Morris County	
	Basic Rate ^a	General Obligation Debt ^b	Total Direct			
2015	\$ 1.554	\$ 0.073	\$ 1.627	\$ 0.785	\$ 0.262	\$ 2.674
2016	1.557	0.076	1.633	0.794	0.262	2.689
2017	1.563	0.070	1.633	0.808	0.273	2.714
2018	1.584	0.070	1.654	0.788	0.263	2.705
2019	1.543	0.085	1.628	0.776	0.261	2.665
2020	1.563	0.078	1.641	0.765	0.255	2.661
2021	1.583	0.077	1.659	0.741	0.257	2.657
2022	1.620	0.079	1.699	0.809	0.263	2.771
2023	1.662	0.076	1.739	0.793	0.271	2.803
2024	1.693	0.075	1.768	0.872	0.284	2.924

Source: Municipal Tax Collector and School Business Administrator

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 calculation.

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2025			2016		
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Ridge Plaza LLC	\$ 18,800,000	0.65%	Ridge Plaza LLC	\$ 20,321,400	0.78%	
City of Newark	16,890,900	0.58%	City of Newark	18,475,700	0.71%	
757 Rt. 15 Realty LLC	8,520,000	0.29%	Sebastian/Parsippany, LP	7,317,300	0.28%	
Seneca Gardens LLC	7,542,700	0.26%	Gelormino Associates	7,184,800	0.27%	
Gelormino Associates	6,912,200	0.24%	Seneca Gardens LLC	6,714,900	0.26%	
Leifken Brothers Marinas LLC	6,867,200	0.24%	Fifteen South Plaza	5,692,400	0.22%	
15 South Plaza LH LLC	6,279,300	0.22%	Leifken Brothers Marinas LLC	4,799,000	0.18%	
Lizbeth's Lakeside Plaza LLC	3,744,500	0.13%	RLM Development Corp	3,884,900	0.15%	
Seretis Properties LLC	3,732,800	0.13%	Good Kids Holdings LLC	3,500,000	0.13%	
Good Kids Holdings LLC	3,669,800	0.13%	Seretis Properties LLC	3,488,900	0.13%	
Total	82,959,400	2.87%	Total	81,379,300	3.11%	

Source: Municipal Tax Assessor

JEFFERSON TOWNSHIP 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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 41,265,554	\$ 41,265,554	100.00%	-0-
2017	42,165,110	42,165,110	100.00%	-0-
2018	43,350,137	43,350,137	100.00%	-0-
2019	44,189,436	44,189,436	100.00%	-0-
2020	45,542,848	45,542,848	100.00%	-0-
2021	46,503,421	46,503,421	100.00%	-0-
2022	47,359,727	47,359,727	100.00%	-0-
2023	48,323,953	48,323,953	100.00%	-0-
2024	49,850,979	49,850,979	100.00%	-0-
2025	51,114,125	51,114,125	100.00%	-0-

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Governmental Activities</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Financed Purchases	Total District	Percentage of Personal Income ^a	Per Capita ^a
2016	\$ 17,965,000	\$ 1,796,467	\$ 19,761,467	1.02%	933.02
2017	16,655,000	1,848,841	18,503,841	0.94%	877.04
2018	15,430,000	2,367,969	17,797,969	0.87%	849.79
2019	24,080,000	1,617,960	25,697,960	1.25%	1,241.27
2020	22,410,000	887,105	23,297,105	1.11%	1,130.32
2021	21,320,000	502,911	21,822,911	0.99%	1,064.79
2022	19,355,000	1,109,582	20,464,582	0.89%	997.45
2023	17,325,000	1,803,249	19,128,249	0.80%	931.54
2024	15,300,000	1,251,508	16,551,508	0.70%	806.05
2025	13,260,000	1,763,200	15,023,200	0.63%	725.58

Source: Jefferson School District Financial Reports

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2016	\$ 17,965,000		\$ 17,965,000	0.72%	\$ 848.21
2017	16,655,000		16,655,000	0.65%	789.41
2018	15,430,000		15,430,000	0.60%	736.73
2019	24,080,000		24,080,000	0.91%	1,163.12
2020	22,410,000		22,410,000	0.82%	1,087.28
2021	21,320,000		21,320,000	0.76%	1,040.25
2022	19,355,000		19,355,000	0.68%	943.36
2023	17,325,000		17,325,000	0.61%	843.72
2024	15,300,000		15,300,000	0.53%	745.11
2025	13,260,000		13,260,000	0.46%	640.43

Source: Jefferson School District Financial Reports

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

a See Exhibit J-6 for property tax data.

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Jefferson Township	\$ 23,691,510	100.00%	\$ 23,691,510
Morris County General Obligation Debt	324,225,727	3.42%	<u>11,096,302</u>
Subtotal, overlapping debt			34,787,812
Jefferson Township School District Direct Debt			<u>13,260,000</u>
Total direct and overlapping debt			<u><u>\$ 48,047,812</u></u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Jefferson Township. 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.

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.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis	
2024	\$ 3,568,669,991
2023	3,312,187,203
2022	3,092,881,918
	<u>\$ 9,973,739,112</u>
Average equalized valuation of taxable property	
	<u>\$ 3,324,579,704</u>
Debt limit (4% of average equalization value)	
Net bonded school debt	\$ 132,983,188
Legal debt margin	<u>13,260,000</u>
	<u>\$ 119,723,188</u>

	Fiscal Year										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Debt limit	\$ 104,392,629	\$ 105,298,880	\$ 106,015,195	\$ 107,241,833	\$ 108,444,819	\$ 110,095,886	\$ 112,662,891	\$ 117,050,758	\$ 125,058,809	\$ 132,983,188	
Total net debt applicable to limit	17,965,000	16,655,000	15,430,000	24,080,000	22,410,000	21,320,000	19,355,000	17,325,000	15,300,000	13,260,000	
Legal debt margin	<u>\$ 86,427,629</u>	<u>\$ 88,643,880</u>	<u>\$ 90,585,195</u>	<u>\$ 83,161,833</u>	<u>\$ 86,034,819</u>	<u>\$ 88,775,886</u>	<u>\$ 93,307,891</u>	<u>\$ 99,725,758</u>	<u>\$ 109,758,809</u>	<u>\$ 119,723,188</u>	
Total net debt applicable to the limit	17.21%	15.82%	14.55%	22.45%	20.66%	19.36%	17.18%	14.80%	12.23%	9.97%	
as a percentage of debt limit											

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Township Population ^a</u>	<u>Township Personal Income ^b</u>	<u>Morris County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2016	\$ 21,180	\$ 1,932,717,360	\$ 91,252	5.40%
2017	21,098	1,973,591,312	93,544	4.50%
2018	20,944	2,036,678,336	97,244	4.10%
2019	20,703	2,052,495,420	99,140	3.60%
2020	20,611	2,107,000,697	102,227	9.50%
2021	20,495	2,208,684,665	107,767	6.20%
2022	20,517	2,289,635,649	111,597	3.80%
2023	20,534	2,378,863,900	115,850	4.30%
2024	20,705	2,289,635,649 ***	115,850 *	3.70%
2025	20,705 **	2,398,674,250 ***	115,850 *	N/A

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

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

*** - Latest per capital personal income available (2023) and latest population data available (2024) was used for calculation purposes.

N/A - Information Unavailable

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
 CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2025		2016	
Employer	Employees	Employer	Employees
Percentage of Total Employment		Percentage of Total Employment	
Atlantic Health Systems	10,581	US Army Armament Research & Developpr	5,841
Picatinny Arsenal	6,200	Novartis	5,035
Novartis	6,178	Atlantic Health Systems	4,463
Barclays	4,320	ADP, Inc.	2,060
ADP, Inc.	2,600	Bayer Healthcare, LLC	1,900
Accenture	2,134	County of Morris	1,674
PricewaterhouseCoopers	1,911	Wyndham Worldwide	1,653
Bayer	1,730	St. Clare's	1,642
Cigna	1,629	BASF Corporation	1,500
Deloitte & Touche	1,627	Accenture	1,480
Total	38,910	Total	27,248
Total County Labor Force	262,898		250,348

Source: Morris County Treasurer's Office.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	208.4	197.0	198.6	202.6	183.7	178.5	167.4	185.0	186.8	183.1
Special education	71.3	97.9	60.5	61.0	61.2	58.7	60.6	58.5	59.9	62.2
Other special education	83.6	50.7	66.2	72.8	72.1	72.8	73.6	75.0	79.4	79.3
Support Services:										
Student & instruction related services	39.0	47.8	66.9	74.8	67.1	64.3	64.5	64.0	60.4	64.2
School administrative services	24.5	24.9	24.4	25.0	24.5	21.0	21.2	24.5	24.2	22.3
General and business administrative services	20.2	20.2	22.2	16.6	17.5	17.0	17.0	16.5	17.5	17.5
Plant operations and maintenance	42.4	44.1	45.7	46.0	44.9	46.9	41.9	46.5	48.8	48.2
Pupil transportation	20.4	20.5	21.9	27.3	22.0	21.3	34.1	35.4	42.1	42.4
Other support services			1.0	1.0			0.5	17.6	21.4	21.8
Total	<u>509.6</u>	<u>503.1</u>	<u>507.3</u>	<u>527.1</u>	<u>493.0</u>	<u>480.4</u>	<u>480.8</u>	<u>523.0</u>	<u>540.4</u>	<u>541.0</u>

Source: District Personnel Records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Pupil/Teacher Ratio									
	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)
2016	3,158	\$ 62,250,794	\$ 19,712	7.49%	267	1:13	1:11	1:11	3,073.7	2,940.8
2017	3,126	63,340,374	20,262	2.79%	277	1:13	1:11	1:11	3,007.0	2,876.0
2018	2,987	67,140,915	22,478	10.93%	271	1:12	1:11	1:10	2,992.1	2,858.0
2019	2,928	67,653,640	23,106	2.79%	263	1:12	1:11	1:10	2,826.7	2,694.4
2020	2,624	66,870,907	25,484	10.29%	245	1:12	1:10	1:10	2,568.0	2,539.2
2021	2,655	65,098,295	24,519	-3.79%	237	1:12	1:11	1:10	2,537.7	2,458.5
2022	2,851	66,540,621	23,339	-4.81%	241	1:11	1:10	1:12	2,501.6	2,363.5
2023	2,529	70,951,519	28,055	20.21%	243.5	1:12	1:12	1:12	2,503.7	2,503.5
2024	2,688	74,874,778	27,855	-0.71%	246.7	1:12	1:11	1:10	2,674.6	2,521.4
2025	2,664	76,016,789	28,535	2.44%	245.3	1:12	1:10	1:10	2,672.3	2,503.6

Sources: Jefferson Township School District records

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 Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Ellen T. Briggs School (1955)										
Square Feet	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828	33,828
Capacity (students)	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62	270.62
Enrollment	288	288	288	282	221	224	190	210	213	226
Cozy Lake School (1962)										
Square Feet	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776	35,776
Capacity (students)	286.21	286.21	286.21	286.21	286.21	286.21	286.21	386.21	386.21	386.21
Enrollment	206	206	206	173	165	163	217	232	213	236
Milton School (1950)										
Square Feet	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052	22,052
Capacity (students)	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42	176.42
Enrollment	159	159	159	166	136	135	-	-	-	-
Stanlick School (1962)										
Square Feet	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304	65,304
Capacity (students)	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60	453.60
Enrollment	345	345	345	281	270	272	326	308	398	392
White Rock School (1969)										
Square Feet	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684	65,684
Capacity (students)	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80	424.80
Enrollment	388	388	388	326	270	269	365	387	474	473
Middle School (1969)										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40	653.40
Enrollment	765	765	765	729	631	630	562	576	568	550
High School (1962)										
Square Feet	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851	235,851
Capacity (students)	1,264.80	1,264.80	1,264.80	1,264.80	1,264.80	1,561.93	1,561.93	1,264.80	1,264.80	1,264.80
Enrollment	1,007	1,007	1,007	973	951	962	921	866	822	787
Other										
Administration Building										
Square Feet	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144	12,144
Transportation										
Square Feet	400	400	400	400	400	400	400	400	400	400
Maintenance Offices										
Square Feet	2,500	2,500	2,500	2,500	3,200	3,200	3,200	3,200	3,200	3,200
Number of Schools at June 30, 2025										
Elementary = 5										
Middle School = 1										
High School = 1										

Note - The Drummond School was decommissioned as a school in 2011. The school was renovated as Board of Education offices.

Source: Jefferson Township School District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

School Facilities	Projects #	Fiscal Year Ended June 30,									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Jefferson Township High School	N/A	\$ 827,769	\$ 1,012,177	\$ 799,085	\$ 520,435	\$ 540,872	\$ 569,976	\$ 577,292	\$ 635,948	\$ 642,065	\$ 767,115
Arthur Stanlick School	N/A	172,213	210,578	181,176	186,294	172,086	177,137	189,198	208,422	210,426	251,409
Cozy Lake School	N/A	99,518	121,688	329,647	170,882	126,002	74,029	67,509	74,368	75,084	89,707
Ellen T. Briggs School	N/A	85,059	104,008	83,363	58,008	66,268	72,794	102,366	112,767	113,851	136,026
Jefferson Township Middle School	N/A	205,606	251,410	151,398	234,351	131,058	144,555	149,838	165,063	166,650	199,108
Milton School	N/A	158,932	194,338	51,495	69,156	46,988	65,776	70,521	77,686	78,434	93,709
White Rock School	N/A	175,864	215,043	151,294	118,316	135,303	142,111	140,458	154,729	156,217	186,643
		<u>\$ 1,724,961</u>	<u>\$ 2,109,242</u>	<u>\$ 1,747,458</u>	<u>\$ 1,357,442</u>	<u>\$ 1,218,577</u>	<u>\$ 1,246,378</u>	<u>\$ 1,297,182</u>	<u>\$ 1,428,983</u>	<u>\$ 1,442,727</u>	<u>\$ 1,723,717</u>

Source: Jefferson Township School District records

JEFFERSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

		<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):			
Property - Blanket Building and Contents Including Boiler and Building and Personal Property		\$ 500,000,000	\$ 2,500
Inland Marine - Auto Physical Damage			1,000
Boiler & Machinery		\$100,000,000	\$2,500
General Liability including Auto, Employee Benefits			
Each Occurance		\$10,000,000	
General Aggregate		\$46,000,000	
Product Completed Ops			
Personal Injury			
Fire Damage		2,500,000	
Medical Expenses		10,000	
(Excluding Students Taking Part in Athletics)			
Employee Benefits Liability		\$5,000,000	\$1,000
Sexual Abuse/Molestation	\$28,000,000	\$10,000,000	
Automobile Coverage	Occurrence	10,000,000	1,000
Combined Single Limit			
Auto General Aggregate		46,000,000	
Hired/Non Owned		Included	
Automobile Physical Damage		Included	1,000
Environmental Impairment Liability	Fund Aggregate	1,000,000/10,000,000	50,000
Excludes mold/fungi/fungus/legionella			
Crime Coverage	Inside/Outside	50,000	1,000
Blanket Dishonesty Bond		500,000	1,000
Cyber Liability - First Party		\$750,000	\$10,000
Cyber Liability - Third Party		\$2,000,000	
School Board Legal		\$5,000,000/\$5,000,000	\$25,000
<u>Safety National Casualty Corp.</u>			
Workers' Compensation		Statutory	
Employer's Liability		\$1,000,000	\$0
Bond for School Business Administrator eff 1/1/24-25	Selective Insurance	313,000	\$0
****interim BA Tina Palecek 7/1/2020-9/25/2020			
Bond for Treasurer effective 7/1/24-25	Selective Insurance	300,000	\$0
<u>Mutual of Omaha Insurance Company effective 9/1/24-25</u>			
Student Accident- Base- Including Sports and Football		25,000	all st \$0
Student Accident - CAT including sports and Football		\$6,000,000	all st \$25,000
Student Accident - Voluntary Coverage		\$25,000	purchased by family

Source: Jefferson Township School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Lake Hopatcong, 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, each major fund, and the aggregate remaining fund information of the Board of Education of the Jefferson Township School District, in the County of Morris (the "District") 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.

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 2

Report on Compliance and Other Matters

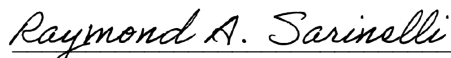
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

November 20, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant



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 Newton, NJ
 Bridgewater, NJ
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 Independent Member
 BKR International

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
 Jefferson Township School District
 Lake Hopatcong, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Jefferson Township School District's (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.

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 2

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.

The Honorable President and Members
of the Board of Education
Jefferson Township School District
Page 3

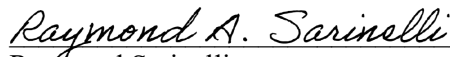
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

November 20, 2025
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond Sarinelli
Licensed Public School Accountant #2549
Certified Public Accountant

JEFFERSON TOWNSHIP 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 Unearned Revenue/ (Accounts Receivable) 6/30/2024	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Accounts Payable	Cancellation of Prior Year Encumbrances	Balance Unearned Revenue/ (Accounts Receivable) 6/30/2025	Amount Paid to Subrecipients
U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster: Federal Food Distribution Program Federal Food Distribution Program Total Food Distribution Program	10.555 10.555	N/A N/A	7/1/24-6/30/25 7/1/23-6/30/24	\$ 69,782 93,492	\$ 1,308 1,308	\$ 69,782 69,782	\$ (67,270) (1,308) (68,578)			\$ 2,512 2,512	
School Breakfast Program School Breakfast Program National School Lunch Program National School Lunch Program Total Child Nutrition Cluster	10.553 10.553 10.555 10.555	N/A N/A N/A N/A	7/1/24-6/30/25 7/1/23-6/30/24 7/1/24-6/30/25 7/1/23-6/30/24	55,901 36,768 290,424 229,367	(7,840) (45,515) (53,355)	51,409 7,840 268,524 373,288	(55,901) (7,840) (290,424) (346,325)			(4,492) (21,900) (26,392)	
Total U.S. Department of Agriculture					(52,047)	443,070	(414,903)			(23,880)	
Passed-through State Department of Education: General Fund: U.S. Department of Health and Human Services: Medicaid Cluster: Medicaid Reimbursement	93.778	N/A	7/1/24-6/30/25	20,018		20,018	(20,018)				
Total General Fund						20,018	(20,018)				
Special Revenue Fund: U.S. Department of Education: Passed-through State Department of Education: Elementary and Secondary Education Act Consolidated Grant: Title I Title I Total Title I	84.010 84.010	ESE/A552025 ESE/A552024	7/1/24-9/30/25 7/1/23-9/30/24	108,551 228,973	(24,387) (24,387)	81,165 24,387 105,552	(87,609) (87,609)			(6,444) (6,444)	
Title IIA Title IIA Total Title IIA	84.367 84.367	ESE/A552025 ESE/A552024	7/1/24-9/30/25 7/1/23-9/30/24	37,105 45,029	(6,407) (6,407)	37,105 43,512	(37,105) (37,105)				
Title III Title III Total Title III	84.365 84.365	ESE/A552025 ESE/A552024	7/1/24-9/30/25 7/1/23-9/30/24	18,667 17,092	(3,218) (3,218)	13,226 3,218 16,444	(13,226) (13,226)				
Title III Immigrant Total Title III Immigrant	84.365	ESE/A552025	7/1/24-9/30/25	1,788		1,466 1,466	(1,466) (1,466)			(180) (180)	
Title IV Title IV Total Title IV	84.424 84.424	ESE/A552025 ESE/A552024	7/1/24-9/30/25 7/1/23-9/30/24	16,258 10,000	(3,993) (3,993)	13,152 3,993 17,145	(16,258) (16,258)			(3,106) (3,106)	
Special Education Cluster (IDEA): LD E.A. Part B, Basic LD E.A. Part B, Basic LD E.A. Part B, Preschool LD E.A. Part B, Preschool Total Special Education Cluster (IDEA)	84.027 84.027 84.173 84.173	FT-5520-25 FT-5520-24 FT-5520-25 FT-5520-24	7/1/24-9/30/25 7/1/23-9/30/24 7/1/24-9/30/25 7/1/23-9/30/24	688,009 674,566 32,698 33,178	(3,860) (3,689) (7,549)	688,009 3,860 29,429 3,689 724,987	(688,009) (32,698) (720,707)			(3,269) (3,269)	

JEFFERSON TOWNSHIP 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 Unearned/ Revenue/ (Accounts Receivable) 6/30/2024	Cash Received	Budgetary Expenditures	Cancellation of Prior Year Accounts Payable	Cancellation of Prior Year Encumbrances	Balance Unearned/ Revenue/ (Accounts Receivable) 6/30/2025	Amount Paid to Subrecipients
Education Stabilization Fund											
COVID-19 ESSER III - ARP	84.425U	N/A	3/13/20-9/30/25	\$ 1,862,785	\$ (377,084)	\$ 470,199	\$ (114,812)	\$ 6,580	\$ 15,118		
COVID-19 Accelerated Learning - ARP	84.425U	N/A	3/13/20-9/30/25	210,613	(5,450)	41,358	(35,908)				
COVID-19 Beyond the School Day - ARP	84.425U	N/A	3/13/20-9/30/25	40,000	(4,831)	4,831					
COVID-19 Mental Health - ARP	84.425U	N/A	3/13/20-9/30/24	45,000		11,902	(11,902)				
COVID-19 New Jersey High Impact Tutoring Collective - ARP	84.425V	N/A	10/11/23-8/31/25	154,000	(16,969)	83,503	(73,559)			\$ (7,025)	
Total Education Stabilization Fund					(404,334)	611,793	(236,181)	6,580	15,118	(7,025)	
U.S. Department of Treasury Passed-through State Department of Education:											
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/23-6/30/24	352,407	(176,203)	176,203				5,442	
COVID-19 Additional or Compensatory Special Education and Related Services	21.027	N/A	7/1/21-6/30/22	203,621	(170,761)	176,203				5,442	
Total U.S. Department of Treasury					(620,649)	1,697,102	(1,112,732)	6,580	15,118	(14,582)	
Total Special Revenue Fund					\$ (672,696)	\$ 2,160,190	\$ (1,547,653)	\$ 6,580	\$ 15,118	\$ (38,462)	\$ -0-
Total Federal Awards											
N/A: Not Available/Applicable											

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 6/30/2024	Cash Received	Budgetary Total Expenditures	6/30/2025		Memo		
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Expenditures	
General Fund											
NJ Department of Education:											
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 1,772,561		\$ 1,599,645	\$ (1,772,561)		\$	(172,916)	\$ 1,772,561	
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	636,026		573,980	(636,026)			(62,046)	636,026	
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	2,137,733		1,929,194	(2,137,733)			(208,539)	2,137,733	
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	303,337		273,746	(303,337)			(29,591)	303,337	
Non-Public Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	82,246			(82,246)	\$ (82,246)		(82,246)	82,246	
Stabilization Aid	25-495-034-5120-078	7/1/24-6/30/25	115,196		115,196	(115,196)				115,196	
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	207,277			(207,277)	(207,277)		(207,277)	207,277	
Reimbursed TPAF Social Security Contributions	25-495-034-5095-003	7/1/24-6/30/25	1,864,481		1,771,394	(1,864,481)	(93,087)		(93,087)	1,864,481	
Homeless Tuition	N/A	7/1/24-6/30/25	31,650			(31,650)	(31,650)		(31,650)	31,650	
Menstrual Product Reimbursement	N/A	7/1/24-6/30/25	9,852			(9,852)	(9,852)		(9,852)	9,852	
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	2,028,551	\$ (196,156)	196,156					2,028,551	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	636,026	(61,502)	61,502				61,502	636,026	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	2,137,733	(206,713)	206,713				206,713	2,137,733	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	303,337	(29,332)	29,332				29,332	303,337	
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	89,180	(89,180)	89,180					89,180	
Stabilization Aid	24-495-034-5120-078	7/1/23-6/30/24	118,320							118,320	
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	315,763	(315,763)	315,763					315,763	
Reimbursed TPAF Social Security Contributions	24-495-034-5095-003	7/1/23-6/30/24	1,855,347	(91,640)	91,640					1,855,347	
On-Behalf TPAF Post Retirement Contribution	25-495-034-5094-001	7/1/24-6/30/25	2,463,815		2,463,815	(2,463,815)				2,463,815	
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	7/1/24-6/30/25	8,328,752		8,328,752	(8,328,752)				8,328,752	
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	103,171		103,171	(103,171)				103,171	
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	3,426		3,426	(3,426)				3,426	
Total General Fund State Aid				(990,286)	18,245,453	(18,059,523)	(424,112)		(897,204)	25,543,780	
Debt Service Aid Type II	25-100-034-5120-124	7/1/24-6/30/25	209,314		209,314	(209,314)				209,314	
Total Debt Service Aid					209,314	(209,314)				209,314	
Special Revenue Fund:											
Preschool Education Expansion Aid Grant	25-495-034-5120-086	7/1/24-6/30/25	3,968,250		3,571,425	(3,968,250)			(396,825)	3,968,250	
Preschool Education Expansion Aid Grant	24-495-034-5120-086	7/1/23-6/30/24	2,775,370	(255,733)	277,537			\$ 21,804		2,753,566	
Total Special Revenue Fund				(255,733)	3,848,962	(3,968,250)		21,804	(396,825)	6,721,816	
Total NJ Department of Education				(1,246,019)	22,303,729	(22,237,087)	(424,112)	21,804	(1,294,029)	32,474,910	

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Balance (Accounts Receivable) 6/30/2024	Cash Received	Budgetary Expenditures	Balance 6/30/2025		Memo	
							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
New Jersey Department of Agriculture:										
Food Service Fund:										
School Lunch Program - State	25-100-010-3350-023	7/1/24-6/30/25	\$ 22,911	\$ (4,003)	\$ 21,153	\$ (22,911)	\$ (1,758)		\$ (1,758)	\$ 22,911
School Lunch Program - State	24-100-010-3350-023	7/1/23-6/30/24	19,921		4,003					12,814
School Breakfast Program - State	25-100-010-3350-021	7/1/24-6/30/25	3,266		2,924	(3,266)	(342)		(342)	3,266
School Breakfast Program - State	24-100-010-3350-021	7/1/23-6/30/24	1,935	(405)	405					528
Total NJ Department of Agriculture				(4,408)	28,485	(26,177)	(2,100)		(2,100)	39,519
Total State Awards Subject to Single Audit Determination				\$ (1,250,427)	\$ 22,332,214	\$ (22,263,264)	\$ (426,212)	\$ 21,804	\$ (1,296,129)	\$ 32,514,429
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	(2,463,815)			\$ 2,463,815				
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	(8,328,752)			8,328,752				
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	(103,171)			103,171				
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	(3,426)			3,426				
Subtotal - On-Behalf TPAF Pension System Contributions						10,899,164				
Total State Awards Subject to Single Audit Major Program Determination						\$ (11,364,100)				
N/A - Not Available										

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO 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 includes the state grant activity of the Jefferson Township School District Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in this schedule 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 elected not 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, special revenue fund, capital projects fund and debt service 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, that payment is 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 year of award while on a GAAP basis revenue is recognized based on grant expenditures and when reimbursement requests are submitted.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$20,611 for the General Fund, (\$59,312) for the Special Revenue Fund, and (\$756,880) for the Capital Projects 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. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

JEFFERSON TOWNSHIP SCHOOL DISTRICT
NOTES TO 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)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 20,018	\$ 7,180,970	\$ 7,200,988
Special Revenue Fund	1,112,732	3,908,938	5,021,670
Enterprise Fund - Food Service	414,903	26,177	441,080
Total Awards	<u>\$ 1,547,653</u>	<u>\$11,325,399</u>	<u>\$12,873,052</u>

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 a grant amount of \$756,880 which is recorded in the Capital Projects Fund from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, \$-0- of the grant has 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.

JEFFERSON TOWNSHIP 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		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster: (IDEA):					
I.D.E.A. Basic	84.027	7/1/24	9/30/25	\$ 688,009	\$ 688,009
I.D.E.A. Preschool	84.173	7/1/24	9/30/25	32,698	32,698
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		X	Yes		No

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	25-495-034-5120-078	7/1/24	6/30/25	\$ 1,772,561	\$ 1,772,561
Special Education Aid	25-495-034-5120-089	7/1/24	6/30/25	2,137,733	2,137,733
Security Aid	25-495-034-5120-084	7/1/24	6/30/25	303,337	303,337
Stabilization Aid	25-495-034-5120-078	7/1/24	6/30/25	115,196	115,196

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

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

JEFFERSON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.