

SCHOOL DISTRICT
OF
STILLWATER TOWNSHIP

Stillwater Township School District
Board of Education
Stillwater, Sussex County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Stillwater Township School District

Board of Education

Stillwater, New Jersey

For the Fiscal Year Ending June 30, 2025

Prepared by

Stillwater Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section

STILLWATER TOWNSHIP BOARD OF EDUCATION

P.O. BOX 12
904 STILLWATER ROAD
STILLWATER, NEW JERSEY 07875



TEL: (973) 383-8954 / FAX: (973) 383-1895

October 31, 2025

The Honorable President and Members
of the Board of Education
Stillwater Township School District
County of Sussex, NJ

Dear Board Members:

The annual comprehensive financial report of the Stillwater Township School District (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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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 general purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, "Audits of State and Local Governments, and New Jersey's State Treasury Circular Letter 15-08-OMB," Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Stillwater Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB, Statement No. 14. All funds and account groups of the District are included in this report. The Stillwater Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, special education for the disabled youngsters, and gifted and talented education. The District completed the 2024-2025 fiscal year with an average enrollment of 296 students, which is a slight increase in enrollment from the previous year. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2024-25	296	2.95%
2023-24	287	0.98%
2022-23	284	7.37%
2021-22	265	(2.67%)
2020-21	272	8.3%

2) ECONOMIC CONDITION AND OUTLOOK: Stillwater Township continues to see little change in the economic character of the community. The rural nature of the municipality will be preserved by the current zoning ordinances. The school population has slightly increased due to students moving into the district across a variety of grade levels. However, with the current economic conditions and lack of increase in state aid, the local taxpayers are affected as the school district tries to maintain the finest educational programs, while still maintaining a responsible fiscal base.

3) MAJOR INITIATIVES: Stillwater Township School District completed several important facility improvements during the 2024–2025 fiscal year. Major projects included replacing the 1988 wing hot water heater, removing and installing new ceilings in three classrooms of the 1941 wing, painting the kitchen, repairing the septic system, and installing a drain pipe liner. Additionally, we upgraded our Wi-Fi infrastructure to enhance connectivity throughout the district.

The district remains committed to investing in professional development for our teaching staff, focusing on English-Language Arts and mathematics. These training sessions equip both teaching and administrative staff with best practices in those core areas. In order to best support our students and close learning gaps, we strengthened our benchmarking and intervention programs such as Renaissance products. Stillwater School continues to maintain appropriately sized classrooms and supports our Makerspace/STEAM programs, ensuring all students have access to the STEAM curriculum.

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

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance 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. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of fund balance at June 30, 2025.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements, Note 1."

7) DEBT ADMINISTRATION: At June 30, 2025, the District's outstanding debt issues included \$0 of the safe schools loan. All debt for the district has been retired.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements, Note 2" 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.

The Honorable President and Members
of the Board of Education
October 31, 2025
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9) RISK MANAGEMENT: The Board carried various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds.

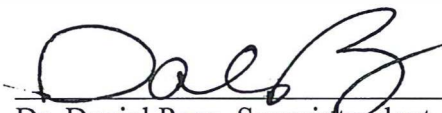
10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLC was appointed by the Stillwater Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey's Treasure Circular Letter 15-8 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Stillwater 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 our financial and accounting staff.

Respectfully submitted,

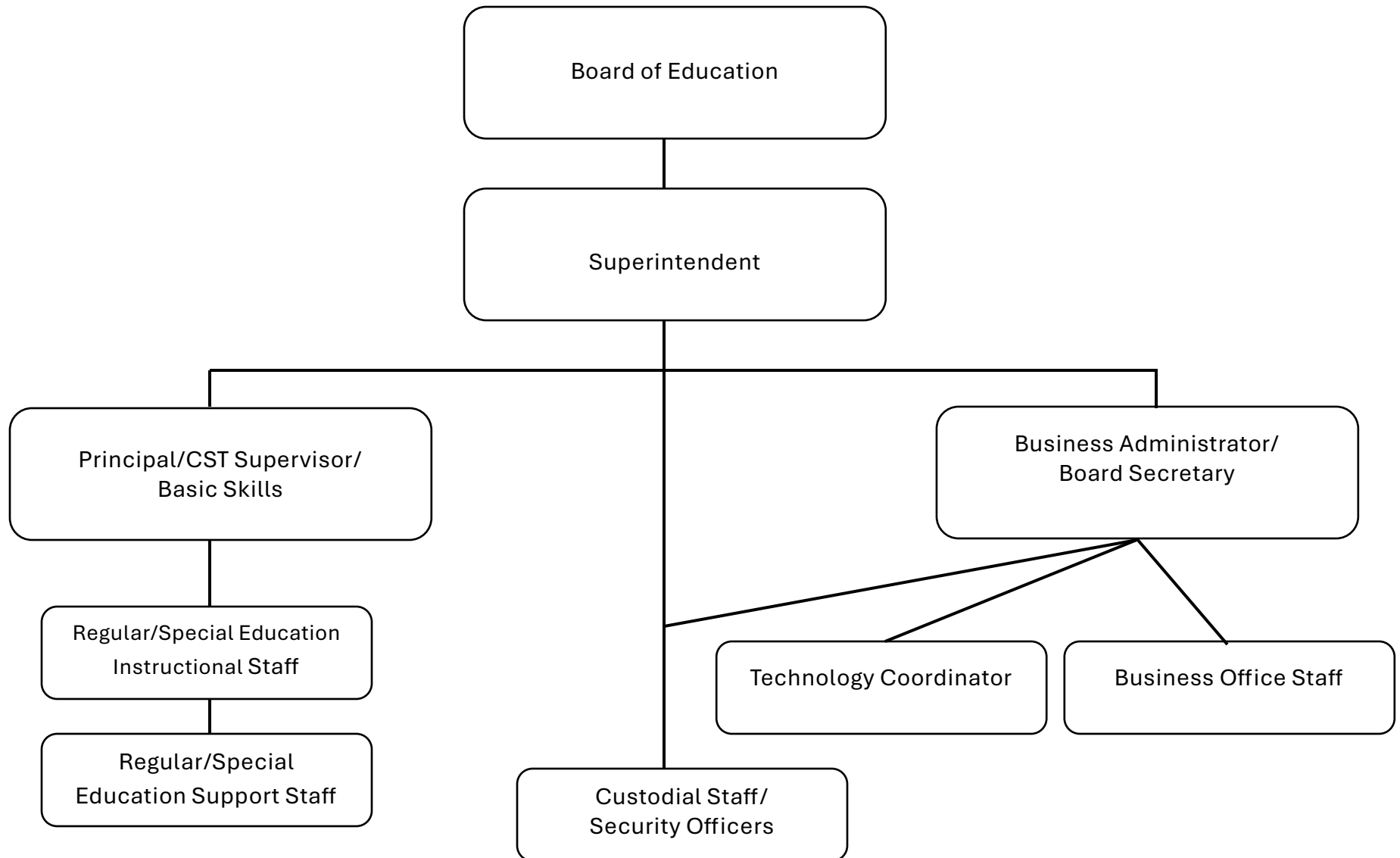


Dr. Daniel Papa, Superintendent



René Metzgar, Business Administrator/Board Secretary

Stillwater Township Board of Education



**STILLWATER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Krista Galante, <i>President</i>	2026
Cheryl Williver, <i>Vice-President</i>	2027
Darrick Franek	2027
Margaret Frey	2027
Dennis DeGroat	2026
Jennifer Kraft	2025
Karen Thibault	2025
Amy Valeich	2026
Christine Voris	2025

Other Officials

William Kochis, *Superintendent (July 1, 2024-May 31, 2025)*

Braden Hirsch, *Superintendent (June 2025)*

René Metzgar, *Board Secretary/School Business Administrator*

Kathleen Kane, *Treasurer of School Monies*

**STILLWATER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

Audit Firm

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

Attorney

Methfessel & Werbel PA
2025 Lincoln Highway, Suite 200
Edison, NJ 08817

Official Depository

Provident Bank
Fredon Branch
Route 94
Newton, New Jersey 07860

Valley National Bank
410 Route 94
Newton, New Jersey 07860

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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Frenchtown, New Jersey 08825-1192
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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Stillwater Township School District
County of Sussex
Newton, New Jersey 07860

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stillwater Township School District Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 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 Stillwater Township School District Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

-Continued-

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 of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents 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, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stillwater Township School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, 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 OMB's Circulars 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 combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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 October 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 31, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 31, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

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

Financial Highlights

Key financial highlights for 2025 are as follows:

- ◆ In total, Net Position increased \$199,837 which represents a 3.6% increase from 2024.
- ◆ General revenues accounted for \$5,744,159 in revenue or 71.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,249,963 or 28.1% of total revenues of \$7,994,122.
- ◆ Total assets of governmental activities increased by \$239,951, as cash and cash equivalents increased by \$300,239, receivables increased by \$97,621, and capital assets decreased by \$158,531.
- ◆ The School District had \$7,794,285 in expenses; only \$2,249,963 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$5,744,159 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,813,262 in revenues and \$7,401,625 in expenditures. The General Fund's surplus balance increased \$288,469 over 2024, which compares favorably to the budgeted decrease of \$464,229.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Stillwater Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Stillwater Township School District, the General Fund is by far the most significant fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2025?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- **Governmental activities**--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity**--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 26. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 3,627,334	\$ 3,228,852
Capital Assets	<u>3,312,033</u>	<u>3,470,564</u>
Total Assets	<u>6,939,367</u>	<u>6,699,416</u>
 Deferred Outflows of Resources	 <u>158,683</u>	 <u>179,478</u>
 Liabilities		
Long-Term Liabilities	702,830	959,051
Other Liabilities	<u>408,692</u>	<u>254,346</u>
Total Liabilities	<u>1,111,522</u>	<u>1,213,397</u>
 Deferred Inflows of Resources	 <u>209,575</u>	 <u>88,381</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,312,033	3,470,564
Restricted	2,964,117	2,629,825
Unrestricted	<u>(499,197)</u>	<u>(523,273)</u>
Total Net Position	<u>\$ 5,776,953</u>	<u>\$ 5,577,116</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Total assets of governmental activities increased by \$239,951, as cash and cash equivalents increased by \$300,239, receivables increased by \$97,621, and capital assets decreased by \$158,531.

The cash increase was due to exceeding budget expectation in revenues and underspending. The receivable increase was mainly due to state local recreation grants and climate grants not yet collected, and the decrease in capital assets was due to depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 129,025	\$ 174,936
Operating Grants and Contributions	2,120,938	2,540,833
General Revenues:		
Property Taxes	5,558,880	5,253,298
Federal & State Aid on Capital Asset Projects		
Investment Earnings	137,742	127,609
Other	47,537	94,233
Total Revenues	<u>7,994,122</u>	<u>8,190,909</u>
Program Expenses		
Instruction	4,024,598	4,172,501
Support Services:		
Tuition	-	24,302
Pupils and Instructional Staff	1,474,843	1,405,444
General Administration, School Administration, Business	815,075	764,362
Operations and Maintenance of Facilities	791,398	838,133
Pupil Transportation	314,156	293,614
Business-Type Activities	222,676	178,388
Interest and Fiscal Charges	151,539	186,068
Total Expenses	<u>7,794,285</u>	<u>7,862,812</u>
 Increase in Net Position	 <u>\$ 199,837</u>	 <u>\$ 328,097</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 69.5% percent of revenues for governmental activities for the Stillwater Township School District for the fiscal year 2025.

Instruction comprises 51.6% of district expenses. Support services expenses make up 43.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2025</u>	<u>Net Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>
Instruction	\$ 4,024,598	\$ 2,935,240	\$ 4,172,501	\$ 2,691,366
Support Services:				
Tuition	-	-	24,302	20,031
Pupils and Instructional Staff	1,474,843	760,747	1,405,444	703,707
General Admin., School Admin., Business	815,075	695,757	764,362	630,027
Operation and Maintenance of Facilities	791,398	675,547	838,133	690,833
Pupil Transportation	314,156	268,167	293,614	242,012
Business-Type Activities	222,676	57,325	178,388	(17,001)
Interest and Fiscal Charges	151,539	151,539	186,068	186,068
Total Expenses	<u>\$ 7,794,285</u>	<u>\$ 5,544,322</u>	<u>\$ 7,862,812</u>	<u>\$ 5,147,043</u>

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

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

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

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 72.9% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 70.7%. The community, as a whole, is the primary support for the Stillwater Township School District.

The School District's Funds

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$8,817,742 and expenditures of \$8,531,979. The General Fund's surplus balance increased \$288,469 over 2024, which compares favorably to the budgeted decrease of \$464,229.

General Fund Budgeting 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.

During the course of the fiscal 2025 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$6,320,413, \$188,520 over original budgeted estimates of \$6,131,893. This difference was due primarily to interest earnings and refunds of prior year expenditures.

General fund revenues exceeded expenditures by \$291,024. Again this surplus compares to a budgeted deficit of \$464,229, which was due to the budgeted use of surplus and capital reserve needed to balance the 2024-2025 budget. The budgeted deficit was reduced due to revenue increase as noted above as well as cost savings in the areas of instruction, maintenance, administration, transportation, and benefits.

Overall general fund balance (budget basis) was \$3,285,243, and amounts ear-marked and reserved for future purposes were \$2,988,552, creating a surplus in unreserved fund balance of \$296,691. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

Capital Assets

At the end of the fiscal year 2025, the School District had \$3,213,859 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	<u>2025</u>	<u>2024</u>
Land	\$ 180,000	\$ 180,000
Land Improvements	452,447	485,250
Buildings and Improvements	2,370,297	2,451,765
Machinery and Equipment	<u>211,115</u>	<u>246,830</u>
Totals	<u>\$ 3,213,859</u>	<u>\$ 3,363,845</u>

Overall capital assets decreased \$149,986 from fiscal year 2024 to fiscal year 2025. The decrease in capital assets was due to depreciation expense for the year, net of capital improvements.

Capital improvements of \$69,107 were purchased during fiscal year 2025, and included hot water heater replacement, building improvements, and information technology equipment.

Debt Administration

At June 30, 2025, the School District had \$85,500 as outstanding long term debt. Of this amount, \$85,500 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was \$15,617,845 and the unvoted debt margin was the same.

STILLWATER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

For the Future

The Stillwater Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. It has been increasingly difficult to balance educational needs with increases in property tax rates. This problem seems to be statewide and is not exclusive to the Stillwater Township School District. The Stillwater Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

In conclusion, the Stillwater Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact René Metzgar, School Business Administrator/ Board Secretary at Stillwater Township School District, 904 Stillwater Road, Stillwater, NJ, 07875, (973) 383-8954.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL <u>ACTIVITIES</u>	BUSINESS-TYPE <u>ACTIVITIES</u>	TOTAL
ASSETS			
Cash and Cash Equivalents	\$1,305,150	\$46,595	\$1,351,745
Receivables, Net	247,587	2,765	250,352
Interfund Receivables	-	128	128
Inventory		5,900	5,900
Restricted Assets:			
Capital & Maint. Reserve Account - Cash	2,019,209		2,019,209
Capital Assets, Net (Note 5):	3,213,859	98,174	3,312,033
Total Assets	6,785,805	153,562	6,939,367
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 7)	158,683		158,683
LIABILITIES			
Accounts Payable	21,614	6,633	28,247
Payroll Deductions and Withholdings Payable	529		529
Unemployment Compensation Claims Payable	6,339		6,339
Interfund Payables	128	-	128
Unearned Revenue	370,502	2,947	373,449
Net Pension Liability (Note 7)	617,330		617,330
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	85,500		85,500
Total Liabilities	1,101,942	9,580	1,111,522
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 7)	209,575		209,575
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,213,859	98,174	3,312,033
Restricted for:			
Other Purposes	2,964,117		2,964,117
Unrestricted	(545,005)	45,808	(499,197)
Total Net Position	\$5,632,971	\$143,982	\$5,776,953

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Functions/Programs						
Governmental Activities:						
Instruction:						
Regular	\$ 3,126,160	\$ 6,800	\$ 951,037	\$ (2,168,323)		\$ (2,168,323)
Special Education	748,542		109,578	(638,964)		(638,964)
Other Special Instruction	149,896		21,943	(127,953)		(127,953)
Support Services:						
Tuition	-		-	-		-
Student & Instruction Related Serv.	1,474,843	11,642	702,454	(760,747)		(760,747)
School Administrative Services	128,354		18,790	(109,564)		(109,564)
General and Business Admin. Serv.	686,721		100,528	(586,193)		(586,193)
Plant Operations and Maintenance	791,398		115,851	(675,547)		(675,547)
Pupil Transportation	314,156		45,989	(268,167)		(268,167)
Other Fiscal Charges	1,790		-	(1,790)		(1,790)
Unallocated Depreciation	149,749		-	(149,749)		(149,749)
Total Governmental Activities	7,571,609	18,442	2,066,170	(5,486,997)		(5,486,997)
Business-Type Activities:						
Food Service	222,676	\$ 110,583	54,768		\$ (57,325)	(57,325)
Total Business-Type Activities	222,676	110,583	54,768		(57,325)	(57,325)
Total Primary Government	\$ 7,794,285	\$ 129,025	\$ 2,120,938	\$ (5,486,997)	\$ (57,325)	\$ (5,544,322)
General Revenues:						
Taxes:						
Property Taxes. Levied for General Purposes, Net				\$ 5,558,880		\$ 5,558,880
Investment Earnings				137,689	\$ 53	137,742
Miscellaneous Revenues				40,437	7,100	47,537
Transfers				-	-	-
Total General Revenues, Special Items, Extraor. Items and Transfers				5,737,006	7,153	5,744,159
Change in Net Position				250,009	(50,172)	199,837
Net Position—Beginning				5,154,241	104,233	5,258,474
Prior Period Adjustment (Note 19)				228,721	89,921	318,642
Net Position—Beginning (As Restated)				5,382,962	194,154	5,577,116
Net Position—Ending				\$ 5,632,971	\$ 143,982	\$ 5,776,953

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

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 3,198,099	\$ 126,260	\$ 3,324,359
Receivables from Other Governments	57,017	178,085	235,102
Accounts Receivable, Net	4,899	7,586	12,485
Interfund Receivables	-	-	-
TOTAL ASSETS	\$ 3,260,015	\$ 311,931	\$ 3,571,946
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 21,614		\$ 21,614
Payroll Deductions and Withholdings Payable	529		529
Unemployment Compensation Claims Payable	6,339		6,339
Interfund Payable	128	-	128
Deferred Revenue	-	370,502	370,502
Total Liabilities	28,610	370,502	399,112
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	1,689,345		1,689,345
Maintenance Reserve	329,864		329,864
Excess Surplus	325,000		325,000
Excess Surplus - Designated for Subsequent Year's Expenditures	437,000		437,000
Unemployment Compensation	74,219		74,219
Student Activities		21,492	21,492
<u>Assigned to:</u>			
Year-End Encumbrances	45,927		45,927
General Fund - Designated for Subsequent Year's Expenditures	87,197		87,197
<u>Unassigned:</u>			
General Fund - Unreserved, Undesignated	242,853		242,853
Special Revenue Fund		(80,063)	(80,063)
Total Fund Balances	3,231,405	(58,571)	3,172,834
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,260,015	\$ 311,931	\$ 3,571,946

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,933,122 and the accumulated depreciation is \$4,797,998.

\$ 3,213,859

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)

158,683

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)

(209,575)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(617,330)

Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(85,500)

Net Position of governmental activities

\$ 5,632,971

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 5,558,880		\$ 5,558,880
Tuition	6,800		6,800
Interest on Maintenance Reserve	8,986		8,986
Interest on Capital Reserve	42,225		42,225
Miscellaneous	114,035	\$ 24,522	138,557
Total - Local Sources	<u>5,730,926</u>	<u>24,522</u>	<u>5,755,448</u>
State Sources	2,079,753	780,351	2,860,104
Federal Sources	2,583	199,607	202,190
Total Revenues	<u>7,813,262</u>	<u>1,004,480</u>	<u>8,817,742</u>
EXPENDITURES			
Current:			
Regular Instruction	1,731,787	641,400	2,373,187
Special Education Instruction	582,968		582,968
Other Special Instruction	116,740		116,740
Support services and undistributed costs:			
Tuition			
Student and Instruction Related Services	662,060	486,554	1,148,614
School Administrative Services	99,963		99,963
Other Administrative Services	529,505		529,505
Plant Operations and Maintenance	600,069		600,069
Pupil Transportation	314,156		314,156
Unallocated Benefits	2,595,069		2,595,069
Transfer to Charter School	87,079		87,079
Debt Service:			
Principal			
Interest and Other Charges			
Capital Outlay	82,229	2,400	84,629
Total Expenditures	<u>7,401,625</u>	<u>1,130,354</u>	<u>8,531,979</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>411,637</u>	<u>(125,874)</u>	<u>285,763</u>
OTHER FINANCING SOURCES (USES)			
Transfer to Special Revenue Fund - Preschool	(123,168)	123,168	-
Total Other Financing Sources and Uses	<u>(123,168)</u>	<u>123,168</u>	
Net Change in Fund Balances	288,469	(2,706)	285,763
Fund Balance—July 1	2,942,936	(55,865)	2,887,071
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	<u>2,942,936</u>	<u>(55,865)</u>	<u>2,887,071</u>
Fund Balance—June 30	<u>\$ 3,231,405</u>	<u>\$ (58,571)</u>	<u>\$ 3,172,834</u>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 285,763**

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 exceeded depreciation in the period.

Depreciation Expense	\$ (219,093)	
Capital Outlays	<u>69,107</u>	(149,986)

Pension contributions are reported in governmental funds as expenditures. However,
in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including
service and interest costs, administrative costs, investment returns, and experience/assumption.
This is the amount by which net pension liability and deferred inflows/outflows related to pension
changed during the period.

83,835

In the statement of activities, compensated absences is accrued regardless of when paid. In the
governmental funds, compensated absences are reported when paid. This is the amount
by which the current year's compensated absence payments exceed the current year's amount earned.

30,397

Change in Net Position of Governmental Activities

\$ 250,009

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

		Business-Type Activities - Enterprise Funds	
		<u>Food Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$	46,595	\$ 46,595
Accounts Receivable - State and Federal Subsidies		1,960	1,960
Accounts Receivable - Special Functions		805	805
Interfund Accounts Receivable		128	128
Inventories		5,900	5,900
Total Current Assets		<u>55,388</u>	<u>55,388</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		160,872	160,872
Less Accumulated Depreciation		(62,698)	(62,698)
Total Noncurrent Assets		<u>98,174</u>	<u>98,174</u>
Total Assets		<u>153,562</u>	<u>153,562</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		6,633	6,633
Deferred Revenue		2,947	2,947
Total Liabilities		<u>9,580</u>	<u>9,580</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt		98,174	98,174
Unrestricted		45,808	45,808
Total Net Position	\$	<u>143,982</u>	<u>\$ 143,982</u>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 74,012	\$ 74,012
Daily Sales - Non- Reimb. Programs	36,571	36,571
Miscellaneous	7,153	7,153
Total Operating Revenues	117,736	117,736
 Operating Expenses:		
Cost of Sales - Reimbursable Programs	59,718	59,718
Cost of Sales - Non-reimbursable Programs	22,877	22,877
Salaries and Wages	83,423	83,423
Employee Benefits	15,361	15,361
Other Purchased Professional Services	9,768	9,768
Miscellaneous	3,719	3,719
Supplies, Repairs, and Other Costs	19,264	19,264
Depreciation	8,546	8,546
Total Operating Expenses	222,676	222,676
 Operating Income (Loss)	 (104,940)	 (104,940)
 Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	3,944	3,944
Federal Sources:		
National School Lunch Program	35,483	35,483
School Breakfast Program	6,604	6,604
P-EBT Administrative Cost Reimbursement	643	643
Local Food for Schools Cooperative Agreement Program	659	659
Food Distribution Program	7,435	7,435
Total Nonoperating Revenues (Expenses)	54,768	54,768
 Income (Loss) Before Contributions and Transfers	 (50,172)	 (50,172)
 Transfers In (Out)	 -	 -
Change in Net Position	(50,172)	(50,172)
 Total Net Position—Beginning	 104,233	 104,233
Prior Period Adjustment (Note 19)	89,921	89,921
Net Position—Beginning (As Restated)	194,154	194,154
Total Net Position—Ending	\$ 143,982	\$ 143,982

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 117,736	\$ 117,736
Payments to Employees	(83,423)	(83,423)
Payments for Employee Benefits	(15,361)	(15,361)
Payments to Suppliers	(101,347)	(101,347)
Net Cash Provided by (used for) Operating Activities	(82,395)	(82,395)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	3,775	3,775
Federal Sources	42,839	42,839
Other Funds Transfers	-	-
Net Cash Provided by (used for) Non-Capital Financing Activities	46,614	46,614
Net Increase (Decrease) in Cash and Cash Equivalents	(35,781)	(35,781)
Balances—Beginning of Year	82,376	82,376
Balances—End of Year	46,595	46,595
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	(104,940)	(104,940)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	8,546	8,546
Federal Commodities	7,435	7,435
(Increase) Decrease in Accounts Receivable, Net	(56)	(56)
(Increase) Decrease in Inventories	494	494
Increase (Decrease) in Accounts Payable	6,126	6,126
Total Adjustments	22,545	22,545
Net Cash Provided by (used for) Operating Activities	\$ (82,395)	\$ (82,395)

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

Notes to Financial Statements

STILLWATER TOWNSHIP SCHOOL DISTRICT

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Stillwater Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Stillwater Township School District had an approximate enrollment at June 30, 2025, of 296 students.

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

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

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 all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes, as well as student activities accounts.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues 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 costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds - Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The district does not operate any fiduciary funds.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget 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).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

D. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal 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 deferred revenues 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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in 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.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—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, income 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 income taxes is recognized in the period in which the income is earned. 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 available as an advance, interest and tuition.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates:

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	Cash and Cash Equivalents (A-1)
Capital and Maintenance Reserves	\$ 2,019,209
Checking	<u>1,243,489</u>
	<u>\$ 3,262,698</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$3,262,698 and the bank balance was \$3,577,672. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,000 was covered by federal depository insurances and \$3,077,672 was covered by collateral pool.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS - (Continued)

Investments:

Pursuant to the Enabling Act, the funds of the district may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the district may approve.

In order to maximize liquidity, the district utilizes the New Jersey Cash Management Fund ("NJCMF") as its sole investments. The NJCMF is administered by the New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty.

At June 30, 2025, the district's balance was - \$ 108,256

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk disclosure. The district does not have a policy for custodial credit risk.

Credit Risk: The district does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Interest Rate Risk: The district does not have a policy to limit interest rate risk. The average maturity of the district's investments is less than one year.

NOTE 3: RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 179,787	\$ 180,025
Federal Aid	55,315	57,037
Local	12,485	13,290
Gross Receivable	247,587	250,352
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 247,587</u>	<u>\$ 250,352</u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2025, consisted of the following:

Food	\$ 2,114
Supplies	3,786
	<u>\$ 5,900</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 180,000			\$ 180,000
Land Improvements	884,061			884,061
Buildings and Building Improvements	5,795,993	\$ 47,788		5,843,781
Machinery and Equipment	961,438	21,319		982,757
Total at Historical Cost	7,821,492	69,107	-	7,890,599
Less Accumulated Depreciation for:				
Land Improvements	(398,811)	(32,803)		(431,614)
Building and Improvements	(3,344,228)	(129,256)		(3,473,484)
Equipment	(714,608)	(57,034)		(771,642)
Total Accumulated Depreciation	(4,457,647)	(219,093)		(4,676,740)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	3,363,845	(149,986)		3,213,859
Government Activity Capital Assets, Net	\$ 3,363,845	\$ (149,986)		\$ 3,213,859

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 61,482
School Administration	5,318
Plant and Operations	2,544
Unallocated	149,749
Total	<u>\$ 219,093</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 6: LONG-TERM OBLIGATIONS

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.

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance <u>7/1/24</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/25</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 115,897		\$ (30,397)	\$ 85,500	
Total Other Liabilities	<u>\$ 115,897</u>	<u>-</u>	<u>\$ (30,397)</u>	<u>\$ 85,500</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2025.

The district had no bonds authorized but not issued as of June, 30, 2025.

The district had no capital lease liabilities as of June, 30, 2025.

NOTE 7: 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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Equitable
Financial Planning

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

In the district-wide *Statement of Assets*, 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.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrprts.shtml>.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$12,039,615 as measured on June 30, 2024 and \$12,846,589 measured on June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$43,919) and revenue of (\$43,919) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$2,498,730,891	\$1,176,934,477
Collective deferred inflows of resources	\$14,719,080,314	\$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	\$51,032,669,551	\$49,425,106,602
State's portion of the net pension liability that was associated with the district	\$12,846,589	\$12,039,615
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.025173%	0.024359%

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

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.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown 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:

	<u>Current</u>	
<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$ 58,828,334,396	\$ 49,492,072,325	\$ 41,629,174,739
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Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>. The plan fudiciary net position as of June 30, 2024 was \$30,316,295,787.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amooounts) related to pensions will be recognized in the state's pension expense as follows:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

	<u>Year Ended June 30:</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>
Total	<u>(\$9,436,989,313)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	\$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	<u>(140,853,575)</u>
Total pension expense	<u>(\$180,539,491)</u>

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

At June 30, 2025, the District reported a liability of \$617,330 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.00454% which was an decrease of 0.00128% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$9,706). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 12,366	\$ 1,644
Changes of assumptions	767	7,024
Net difference between projected and actual earnings on pension plan investments	-	28,624
Changes in proportion and differences between District contributions and proportionate share of contributions	83,729	172,283
District contributions subsequent to the measurement date	61,821	
Total	<u>\$ 158,683</u>	<u>\$ 209,575</u>

\$61,821 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
2025	(\$122,295)	
2026	94,628	
2027	(54,442)	
2028	(31,422)	
2029	<u>818</u>	
Total	<u>(\$112,713)</u>	
	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$1,080,204,730	\$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	\$14,484,374,047	\$13,588,045,796
District's portion of net pension liability	\$843,154	\$617,330
District's proportion %	0.00582113%	0.00454318%

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	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 Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

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

Sensitivity of the 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 net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, 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:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 820,280	\$617,330	\$ 444,621

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	(\$21,527)
Interest on total Pension liability	(80,409)
Member contributions	17,630
Administrative expense	(623)
Other - Chapter 19 Adjustment	648
Expected investment return net of investment expenses	48,573
Pension expense related to specific liabilities of individual employers	620
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	(2,450)
Changes in assumptions	19,652
Difference between projected and actual investment earnings on pension plan investments	8,180
Total pension expense	<u>(\$9,706)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 8: PENSION PLANS (Continued)

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2025	\$61,821	100 %	-0-
6/30/2024	\$77,802	100	-0-
6/30/2023	\$64,006	100	-0-

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2025	\$990,557	100 %	-0-
6/30/2024	\$1,050,152	100	-0-
6/30/2023	\$1,043,669	100	-0-

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute \$1,279,905 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$215,499 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

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

Total Nonemployer OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. 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. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability: \$ 59,650,630,530

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

(a) 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 trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

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

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

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2023	\$52,361,668,239
<u>Changes for the year:</u>	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	<u>7,288,962,291</u>
The State's Total OPEB Liability Balance at 6/30/2024	<u>\$59,650,630,530</u>
The State's total OPEB liability attributable to the District:	\$19,383,942

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

June 30, 2024			
	At 1% Decrease <u>2.93%</u>	At Discount Rate <u>3.93%</u>	At 1% Increase <u>4.93%</u>
Total OPEB Liability (School Retirees)	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141

June 30, 2023			
	At 1% Decrease <u>2.65%</u>	At Discount Rate <u>3.65%</u>	At 1% Increase <u>4.65%</u>
Total OPEB Liability (School Retirees)	\$61,385,066,712	\$52,361,668,239	\$45,116,926,835

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

June 30, 2024			
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279

June 30, 2023			
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$43,468,257,358	\$52,361,668,239	\$63,998,719,320

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of \$327,700 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$6,378,932,312	\$11,139,706,892
Changes of assumptions or other inputs	<u>10,004,978,073</u>	<u>11,662,607,882</u>
Total	<u>\$16,383,910,385</u>	<u>\$22,802,314,774</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	(\$2,115,877,507)
2026	(\$1,774,175,666)
2027	(\$842,677,045)
2028	\$221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u>(\$6,418,404,389)</u>

NOTE 10: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the *Benefit Reimbursement Method*. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2024-2025	\$2,919	\$7,931	12,702	\$80,558
2023-2024	\$2,754	\$8,572	3,135	\$82,410
2022-2023	\$317	\$7,209	20,792	\$74,219

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the 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

In the normal course of operations, the Board is involved in various civil disputes. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the District's financial position.

NOTE 12: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$3,231,405 General Fund fund balance at June 30, 2025, \$45,927 is reserved for encumbrances; \$762,000 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended; (\$437,000 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026), \$1,689,345 has been reserved in the Capital Reserve Account; \$329,864 has been reserved in the Maintenance Reserve Account; \$87,197 has been appropriated and included as anticipated revenue for the year ending June 30, 2026; \$74,219 is reserved for unemployment compensation; and \$242,853 is unreserved and undesignated.

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Stillwater Board of Education by inclusion in the FY 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2024	\$ 1,324,242
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/23/2025	381,879
Budgeted Withdrawals	(59,000)
Interest Earnings	42,224
Ending Balance, June 30, 2025	<u><u>\$ 1,689,345</u></u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2025, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2024	\$ 292,334
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/23/2025	50,000
Budgeted Withdrawals	(21,456)
Interest Earnings	8,986
Ending balance June 30, 2025	<u>\$ 329,864</u>

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$325,000.

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remaining on the balance sheet at June 30, 2025

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	\$ 128
Enterprise Fund	\$ 128	
Total	<u>\$ 128</u>	<u>\$ 128</u>

The general fund owes the food service fund for federal local food to schools co-op program subsidies received in the general fund but not yet transferred to the food service account.

NOTE 17: TAX ABATEMENTS

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 18: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of \$58,571 in the Special Revenue Fund as of June 30, 2025, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

NOTE 19: RETROACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period:

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2025. The appraisal revealed asset activity that that should be recorded as of June 30, 2024. Accordingly, a restatement of Net Position as of June 30, 2024 was necessary.

Governmental Activities Net Position:

Net Position (per A-1), June 30, 2024	\$ 5,154,241
Restatement of Capital Assets	<u>228,721</u>
Net Position (per A-1), June 30, 2024, as Restated	<u><u>\$ 5,382,962</u></u>

Enterprise Activities Net Position:

Net Position (per A-1), June 30, 2024	\$ 104,233
Restatement of Capital Assets	<u>89,921</u>
Net Position (per A-1), June 30, 2024, as Restated	<u><u>\$ 194,154</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,558,880		\$ 5,558,880	\$ 5,558,880	-
Tuition From Other LEAs Within the State	-		-		-
Tuition From Summer School	6,800		6,800	6,800	-
Interest on Maintenance Reserve	3,000	\$ 5,986	8,986	8,986	-
Interest on Capital Reserve	15,000	27,225	42,225	42,225	-
Miscellaneous	5,000		5,000	114,035	\$ 109,035
Total - Local Sources	5,588,680	33,211	5,621,891	5,730,926	109,035
State Sources:					
Equalization Aid	118,533		118,533	118,533	
Transportation Aid	151,123		151,123	151,123	
Special Education Aid	236,765		236,765	236,765	
Security Aid	33,792		33,792	33,792	
Other State Aid				46,691	46,691
TPAF Pension Contrib. (On-Behalf - Non-Budgeted)				990,235	990,235
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				289,348	289,348
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				322	322
TPAF Social Security (Reimbursed - Non-Budgeted)				215,499	215,499
Total State Sources	540,213		540,213	2,082,308	1,542,095
Federal Sources:					
Medical Assistance Program (SEMI)	3,000		3,000	2,583	(417)
Total Federal Sources	3,000		3,000	2,583	(417)
TOTAL REVENUES	\$ 6,131,893	\$ 33,211	\$ 6,165,104	\$ 7,815,817	\$ 1,650,713

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	253,597	(27,280)	226,317	217,459	8,858
Grades 1-5 - Salaries of Teachers	1,122,920	(9,079)	1,113,841	1,094,228	19,613
Grades 6-8 - Salaries of Teachers	264,575	(32,376)	232,199	226,168	6,031
Purchased Professional - Educational Services		4,000	4,000	2,155	1,845
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	52,100	2,361	54,461	54,361	100
Purchased Technical Services	14,784	(260)	14,524	3,463	11,061
General Supplies	91,150		91,150	68,068	23,082
Textbooks	63,816	2,069	65,885	65,885	
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,862,942	(60,565)	1,802,377	1,731,787	70,590
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	67,533	464	67,997	67,997	
Other Salaries for Instruction	21,338	(105)	21,233	19,320	1,913
General Supplies	160		160	152	8
Total Learning and/or Language Disabilities	89,031	359	89,390	87,469	1,921
Resource Room/Resource Center:					
Salaries of Teachers	445,259	(44,120)	401,139	372,887	28,252
General Supplies	3,606		3,606	1,015	2,591
Total Resource Room/Resource Center	448,865	(44,120)	404,745	373,902	30,843
Preschool Disabilities - Part Time:					
Salaries of Teachers	42,098	8,342	50,440	50,283	157
General Supplies	1,609		1,609	159	1,450
Total Preschool Disabilities - Part Time	43,707	8,342	52,049	50,442	1,607

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Full Time:					
Salaries of Teachers	36,269	35,908	72,177	70,436	1,741
General Supplies	960		960	719	241
Total Preschool Disabilities - Part Time	<u>37,229</u>	<u>35,908</u>	<u>73,137</u>	<u>71,155</u>	<u>1,982</u>
Home Instruction:					
Salaries of Teachers	4,500		4,500		4,500
Total Home Instruction	<u>4,500</u>		<u>4,500</u>		<u>4,500</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>623,332</u>	<u>489</u>	<u>623,821</u>	<u>582,968</u>	<u>40,853</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	83,907	28,376	112,283	112,283	
General Supplies	560		560	160	400
Total Basic Skills/Remedial - Instruction	<u>84,467</u>	<u>28,376</u>	<u>112,843</u>	<u>112,443</u>	<u>400</u>
School-Sponsored Co/Extra-Curr. Activities-Instruction:					
Salaries	7,810		7,810	4,275	3,535
General Supplies	500		500	22	478
Total School-Sponsored Co/Extra-Curr. Act.-Instruction	<u>8,310</u>		<u>8,310</u>	<u>4,297</u>	<u>4,013</u>
TOTAL INSTRUCTION	<u>2,579,051</u>	<u>(31,700)</u>	<u>2,547,351</u>	<u>2,431,495</u>	<u>115,856</u>
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs - Reg		8,500	8,500		8,500
Total Instruction		<u>8,500</u>	<u>8,500</u>		<u>8,500</u>
Attendance and Social Work:					
Salaries	7,827		7,827	6,747	1,080
Total Attendance and Social Work	<u>7,827</u>		<u>7,827</u>	<u>6,747</u>	<u>1,080</u>
Health Services:					
Salaries	74,611		74,611	71,217	3,394
Purchased Professional and Technical Services	4,135		4,135	2,485	1,650
Supplies and Materials	3,450		3,450	2,459	991
Other Objects	610		610	110	500
Total Health Services	<u>82,806</u>		<u>82,806</u>	<u>76,271</u>	<u>6,535</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Other Supp. Services Students-Related Services:					
Salaries	81,745	1,397	83,142	83,142	
Purchased Professional - Educational Services	91,256		91,256	83,955	7,301
Supplies and Materials	965		965	947	18
Total Other Supp. Services Students-Related Services	173,966	1,397	175,363	168,044	7,319
Other Supp. Services Students-Extra Services:					
Salaries	225,504	(4,754)	220,750	161,566	59,184
Supplies and Materials	15,000	(14,125)	875	784	91
Total Other Supp. Services Students-Extra Services	240,504	(18,879)	221,625	162,350	91
Other Supp. Services Students-Regular:					
Supplies and Materials	1,681		1,681	1,602	79
Total Other Supp. Services Students-Regular	1,681		1,681	1,602	79
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	126,851	(2,202)	124,649	124,649	
Salaries of Secretarial and Clerical Assistants	40,452	(39)	40,413	40,413	
Purchased Professional - Educational Services	36,576	(1,995)	34,581	22,334	12,247
Other Purchased Services (400-500 series)	300		300		300
Supplies and Materials	863	4,236	5,099	5,099	
Other Objects	725		725	150	575
Total Other Supp. Services Students-Special	205,767		205,767	192,645	13,122
Improvement of Instruction Services:					
Salaries of Supervisors of Instructional Staff	10,327	(10,327)			
Salaries of Secretarial and Clerical Assistants	5,241		5,241	4,840	401
Purchased Professional Services		13,689	13,689	13,689	
Other Purchased Services (400-500 series)	500		500	44	456
Other Objects	220		220	55	165
Total Improvement of Instruction Services	16,288	3,362	19,650	18,628	1,022
Educational Media Services/School Library:					
Salaries of Technology Coordinators	26,076		26,076	24,442	1,634
Purchased Services (300-500 Series)	6,100	57	6,157	6,157	
Supplies and Materials	3,840	(57)	3,783	3,168	615
Total Educational Media Services/School Library	36,016		36,016	33,767	2,249
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	6,574	(1,440)	5,134	2,006	3,128
Total Instructional Staff Training Services	6,574	(1,440)	5,134	2,006	3,128

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	191,189	10,972	202,161	202,161	
Legal Services	25,000	(1,598)	23,402	13,065	10,337
Audit Fees	14,928		14,928	14,928	
Other Purchased Professional Services	12,455	9,992	22,447	20,858	1,589
Communications/Telephone	16,635		16,635	14,663	1,972
Board of Ed. Other Purchased Services	3,150	(8)	3,142	2,645	497
Other Purchased Services (400-500 series)	37,867	(260)	37,607	36,705	902
General Supplies	2,416	734	3,150	3,150	
Board of Ed. Supplies		182	182	182	
Miscellaneous Expenditures	5,834	(816)	5,018	4,316	702
Board of Ed. Dues and Fees	6,400		6,400	5,523	877
Total Supp. Services - General Administration	315,874	19,198	335,072	318,196	16,876
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	46,580	(748)	45,832	45,745	87
Salaries of Secretarial and Clerical Assistants	42,653	748	43,401	43,401	
Purchased Professional and Technical Services	8,987	5,000	13,987	7,765	6,222
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	2,048	257	2,305	1,953	352
Other Objects	2,150		2,150	1,099	1,051
Total Support Services - School Administration	102,918	5,257	108,175	99,963	8,212
Central Services:					
Salaries	148,259	1,907	150,166	150,166	
Purchased Professional Services	24,065	6,199	30,264	22,378	7,886
Miscellaneous Purchased Services (400-500 series)	2,541	(282)	2,259	2,096	163
Supplies and Materials	3,500	3,083	6,583	6,583	
Other Objects	4,800	(7)	4,793	4,029	764
Total Central Services	183,165	10,900	194,065	185,252	8,813
Administrative Information Technology:					
Salaries	13,169	17	13,186	13,186	
Purch Tech Svcs	17,110	(210)	16,900	11,989	4,911
Supplies and Materials	1,000		1,000	882	118
Total Administrative Information Technology	31,279	(193)	31,086	26,057	5,029

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Required Maintenance for School Facilities:					
Salaries	80,398	(6,623)	73,775	73,627	148
Cleaning, Repair and Maintenance Services	62,995	51,567	114,562	113,880	682
General Supplies	9,000	(3,000)	6,000	4,186	1,814
Total Required Maintenance for School Facilities	152,393	41,944	194,337	191,693	2,644
Other Operations and Maintenance of Plant:					
Salaries	150,097	(26,821)	123,276	112,219	11,057
Purchased Professional and Technical Services	7,090		7,090	2,400	4,690
Cleaning, Repair and Maintenance Services	50,175		50,175	38,276	11,899
Insurance	46,802		46,802	40,084	6,718
Miscellaneous Purchased Services	15,075		15,075	6,568	8,507
General Supplies	23,500	5,458	28,958	20,753	8,205
Energy (Electricity)	58,400		58,400	36,690	21,710
Energy (Oil)	130,000		130,000	71,365	58,635
Other Objects	2,415		2,415	1,622	793
Total Other Operations and Maintenance of Plant	483,554	(21,363)	462,191	329,977	132,214
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	8,000	(1,480)	6,520	800	5,720
Grounds Repair	3,500	480	3,980	3,980	
General Supplies	4,000		4,000	1,244	2,756
Total Care and Upkeep of Grounds	15,500	(1,000)	14,500	6,024	8,476
School Security:					
Salaries	66,150		66,150	63,046	3,104
Purchased Professional and Technical Services	4,785	677	5,462	4,962	500
Cleaning, Repair and Maintenance Services	3,000	(3,000)			
General Supplies	2,000	2,367	4,367	4,367	
Security Other Objects	500	(44)	456		456
Total School Security	76,435		76,435	72,375	4,060

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services					
Sal. For Pupil Trans (Bet Home & Sch)-Reg.	5,370		5,370	5,365	5
Management Fee	1,400		1,400	720	680
Contr Serv. - Aid in Lieu Payments	15,180		15,180	12,947	2,233
Contr Serv. - Aid in Lieu Payments - Charter Sch.	5,060		5,060	5,039	21
Contracted Services (Between Home and School)-Vendors	264,236		264,236	259,573	4,663
Contracted Services (Other than Between Home and School)-Vendors	10,951		10,951	6,712	4,239
Contracted Services (Between Home and Sch)-Joint Agrmnts.	1,265		1,265		1,265
Contracted Services (Spl Ed Students)-ESCs & CTSA's	80,000		80,000	23,800	56,200
Total Student Transportation Services	383,462		383,462	314,156	69,306
Unused Sick Payment to Terminated/Retired Staff	3,955	5,670	9,625	9,625	
UNALLOCATED BENEFITS					
Social Security Contributions	78,037		78,037	76,394	1,643
Other Retirement Contributions - Regular	80,290		80,290	59,304	20,986
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	57,111	(5,000)	52,111	41,850	10,261
Health Benefits	1,027,466	(33,362)	994,104	873,626	120,478
Tuition Reimbursement	14,000		14,000	3,866	10,134
Other Employee Benefits	25,000	10,000	35,000	35,000	
TOTAL UNALLOCATED BENEFITS	1,281,904	(28,362)	1,253,542	1,090,040	163,502
On-behalf TPAF pension Contrib. (non-budgeted)				990,235	(990,235)
On-behalf TPAF PRM Contrib. (non-budgeted)				289,348	(289,348)
On-behalf TPAF pension LTD Ins. (non-budgeted)				322	(322)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				215,499	(215,499)
TOTAL ON-BEHALF CONTRIBUTIONS				1,495,404	(1,495,404)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	1,285,859	(22,692)	1,263,167	2,595,069	(1,331,902)
TOTAL UNDISTRIBUTED EXPENDITURES	3,801,868	24,991	3,826,859	4,800,822	(1,033,147)
TOTAL GENERAL CURRENT EXPENSE	6,380,919	(6,709)	6,374,210	7,232,317	(858,107)

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment:					
Undist.Expend.-Instruction		16,992	16,992	16,992	
Undistributed Expenditures-Admin. Info Tech.	21,125	193	21,318	10,659	10,659
Total Equipment	<u>21,125</u>	<u>17,185</u>	<u>38,310</u>	<u>27,651</u>	<u>10,659</u>
Facilities Acquisition and Construction Serv.:					
Architechural/Engineering Services		7,670	7,670	5,000	2,670
Construction Services		91,350	91,350	47,788	43,562
Assessment for Debt Service on SDA Funding	1,790		1,790	1,790	
Total Facilities Acquisition and Construction Serv.	<u>1,790</u>	<u>99,020</u>	<u>100,810</u>	<u>54,578</u>	<u>46,232</u>
TOTAL CAPITAL OUTLAY	<u>22,915</u>	<u>116,205</u>	<u>139,120</u>	<u>82,229</u>	<u>56,891</u>
Transfer of Funds to Charter Schools	69,120	17,959	87,079	87,079	
TOTAL EXPENDITURES	<u>6,472,954</u>	<u>127,455</u>	<u>6,600,409</u>	<u>7,401,625</u>	<u>(801,216)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(341,061)</u>	<u>(94,244)</u>	<u>(435,305)</u>	<u>414,192</u>	<u>849,497</u>
Other Financing Sources:					
Operating Transfer In/(Out):					
Transfer to Special Revenue Fund - Preschool	(123,168)	-	(123,168)	(123,168)	-
Total Other Financing Sources	<u>(123,168)</u>		<u>(123,168)</u>	<u>(123,168)</u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(464,229)	(94,244)	(558,473)	291,024	849,497
Fund Balance, July 1	2,994,219		2,994,219	2,994,219	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	2,994,219		2,994,219	2,994,219	
Fund Balance, June 30	<u>\$ 2,529,990</u>	<u>\$ (94,244)</u>	<u>\$ 2,435,746</u>	<u>\$ 3,285,243</u>	<u>\$ 849,497</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 1,689,345	
Maintenance Reserve				329,864	
Excess Surplus				325,000	
Excess Surplus- Designated for Subsequent Year's Expenditures				437,000	
Unemployment Compensation				74,219	
Assigned to:					
Year-End Encumbrances				45,927	
Designated for Subsequent Year's Expenditures				87,197	
Unassigned:					
Unrestricted Fund Balance				<u>296,691</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				3,285,243	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payments not recognized on GAAP basis				<u>(53,838)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 3,231,405</u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

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 Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 47,909	\$ 47,909	\$ 24,523	\$ (23,386)
State Sources	\$ 933,060	220,295	1,153,355	788,847	(364,508)
Federal Sources	234,742	(35,135)	199,607	199,607	-
Total Revenues	1,167,802	233,069	1,400,871	1,012,977	(387,894)
EXPENDITURES:					
Instruction					
Instructional Salaries	469,070	(30,084)	438,986	400,254	38,732
Other Salaries for Instruction	171,589	(39,527)	132,062	114,479	17,583
Unused Vacation		8,620	8,620	-	8,620
Tuition		-	-	-	-
Purchased Prof. & Tech. Services		-	-	-	-
Supplies	42,438	93,274	135,712	124,154	11,558
Other Objects	5,535	3,124	8,659	2,515	6,144
Total Instruction	688,632	35,407	724,039	641,402	82,637
Support Services					
Salaries of Program Directors	22,206	689	22,895	22,873	22
Salaries of Other Professional Staff	16,540	8,193	24,733	24,442	291
Salaries of Secretarial & Clerical Staff	4,905	5,208	10,113	10,103	10
Other Salaries	39,909	15,618	55,527	43,857	11,670
Salaries of Comm. Parent Invol. Spec.	8,177	8,452	16,629	16,629	-
Salaries of Master Teachers	15,000	1,331	16,331	3,870	12,461
Employee Benefits	271,713	148,116	419,829	258,299	161,530
Purchased Educational Services		34,077	34,077	33,977	100
Cleaning Repairs and Maintenance	11,500	6,589	18,089	18,089	-
Rentals		-	-	-	-
Transportation Between Home & School	4,065	5,261	9,326	7,315	2,011
Transportation Field Trips	3,500	1,500	5,000	1,380	3,620
Other Purchased Services		14,445	14,445	14,445	-
Supplies and Materials	5,571	19,901	25,472	23,757	1,715
Other Objects	10,084	(7,084)	3,000	1,665	1,335
Student Activities		31,443	31,443	9,951	21,492
Total Support Services	413,170	293,739	706,909	490,652	216,257
Facilities Acq. and Const. Services:					
Buildings	66,000	23,000	89,000	-	89,000
Instructional Equipment		2,400	2,400	2,400	-
Total Facilities Acq. and Const. Svs	66,000	25,400	91,400	2,400	89,000
Total Expenditures	1,167,802	354,546	1,522,348	1,134,454	387,894
Other Financing Sources (Uses)					
Transfers from Other Funds		123,168	123,168	123,168	-
Total Other Financing Sources (Uses)	-	123,168	123,168	123,168	-
Total Outflows	\$1,167,802	\$ 231,378	\$ 1,399,180	\$ 1,011,286	\$ 387,894
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	-	1,691	1,691	1,691	-
Fund Balance Beginning				19,801	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				19,801	
Fund Balance Ending				<u>\$ 21,492</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 21,492	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>21,492</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(80,063)	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ (58,571)</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 7,815,817	\$ 1,012,977
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(4,100)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	51,283	75,666
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(53,838)</u>	<u>(80,063)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,813,262</u>	<u>\$ 1,004,480</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 7,401,625	\$ 1,011,286
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(4,100)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>	<u>123,168</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 7,401,625</u>	<u>\$ 1,130,354</u>

Stillwater Township School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 12,039,615	\$ 12,846,589	\$ 12,594,288	\$ 12,456,758	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234
Total	\$ 12,039,615	\$ 12,846,589	\$ 12,594,288	\$ 12,456,758	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234
District's covered employee payroll	\$ 2,982,678	\$ 3,026,252	\$ 2,899,106	\$ 2,884,954	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.00454%	0.00582%	0.00508%	0.00498%	0.00532%	0.00522%	0.00553%	0.00595%	0.00608%	0.00594%
District's proportionate share of the net pension liability (asset)	\$ 617,330	\$ 843,154	\$ 765,981	\$ 589,403	\$ 867,134	\$ 940,783	\$ 1,089,688	\$ 1,384,904	\$ 1,799,393	\$ 1,333,070
District's covered employee payroll	\$ 390,904	\$ 395,688	\$ 412,659	\$ 435,126	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.92%	213.09%	185.62%	135.46%	231.81%	258.02%	287.61%	373.26%	492.03%	179.00%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

Stillwater Township School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 2,982,678	\$ 3,026,252	\$ 2,899,106	\$ 2,884,954	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 61,821	\$ 77,802	\$ 64,006	\$ 58,267	\$ 58,170	\$ 51,144	\$ 55,449	\$ 56,003	\$ 54,331	\$ 53,407
Contributions in relation to the contractually required contribution	(61,821)	(77,802)	(64,006)	(58,267)	(58,170)	(51,144)	(55,449)	(56,003)	(54,331)	(53,407)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 390,904	\$ 395,688	\$ 412,659	\$ 435,126	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751
Contributions as a percentage of covered-employee payroll	15.81%	19.66%	15.51%	13.39%	15.55%	14.03%	14.63%	15.09%	14.86%	7.17%

Stillwater Township School District
Required Supplementary Information - Part III
Schedule of Changes in the State's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	\$ 2,152,062,729	\$ 2,136,235,476	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	(63,870,842)						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824	
Total OPEB Liability - Ending	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	\$ 19,383,942	\$ 17,373,309	\$ 17,253,253	\$ 20,346,535	\$ 23,375,035	\$ 14,346,467	\$ 16,089,562	\$ 18,451,964	\$ 20,113,322	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	\$ 3,373,582	\$ 3,421,940	\$ 3,311,765	\$ 3,320,080	\$ 3,234,092	\$ 3,162,417	\$ 3,996,320	\$ 3,193,549	\$ 3,297,872	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	\$ 15,845,935,573	\$ 15,314,749,297	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

STILLWATER SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

OTHER SUPPLEMENTARY INFORMATION
--

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2025

	Title I	Title II Part A	Title IV	ARP Accel Learn	ARP Beyond School Day	IDEA Basic	IDEA Preschool	REAP	Preschool Education Aid	Climate Change Education	Local Grants	Student Activity	Totals
REVENUES													
Local Sources											\$ 12,881	\$ 11,642	\$ 24,523
State Sources									\$ 752,729	\$ 36,118			788,847
Federal Sources	\$ 41,345	\$ 4,791	\$ 10,000	\$ 800	\$ 839	\$ 80,052	\$ 5,843	\$ 55,937					199,607
TOTAL REVENUES	41,345	4,791	10,000	800	839	80,052	5,843	55,937	752,729	36,118	12,881	11,642	1,012,977
EXPENDITURES:													
Instruction:													
Instructional Salaries	9,179		6,324			18,013	3,380		361,718	1,640			400,254
Other Salaries for Instruction						17,896	2,084		94,499				114,479
General Supplies	5,833		2,236		839	7,232	379	55,937	13,589	25,228	12,881		124,154
Other Objects									2,515				2,515
Total Instruction	15,012		8,560		839	43,141	5,843	55,937	472,321	26,868	12,881		641,402
Support Services:													
Salaries of Program Directors									22,873				22,873
Salaries of Other Professional Staff						7,680			16,762				24,442
Salaries of Secretarial & Clerical Staff									10,103				10,103
Other Salaries	14,144								29,322	391			43,857
Salaries of Comm. Parent Invol. Spec.									16,629				16,629
Salaries of Master Teachers									3,870				3,870
Employee Benefits									258,144	155			258,299
Purchased Educational Services	11,910					21,817			250				33,977
Cleaning Repairs and Maintenance									12,600	5,489			18,089
Transportation Between Home & School									7,015	300			7,315
Transportation Field Trips									1,380				1,380
Other Purchased Services		4,791	1,440	800		7,414							14,445
Supplies and Materials	279								22,963	515			23,757
Other Objects									1,665				1,665
Student Activities												9,951	9,951
Total Support Services	26,333	4,791	1,440	800		36,911			403,576	6,850		9,951	490,652
Facilities Acq. and Const. Services:													
Instructional Equipment										2,400			2,400
Total Facilities Acq. and Const. Svs	-	-	-	-	-	-	-	-	-	2,400	-	-	2,400
TOTAL EXPENDITURES	41,345	4,791	10,000	800	839	80,052	5,843	55,937	875,897	36,118	12,881	9,951	1,134,454
Excess (Deficiency) of Revenues													
Over (Under) Expenditures	-	-	-	-	-	-	-	-	(123,168)	-	-	1,691	\$ (121,477)
Other Financing Sources (Uses):													
Transfers from Other Funds		-	-	-	-	-	-	-	123,168	-	-	-	123,168
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	123,168	-	-	-	123,168
Excess (Deficiency) of Revenues													
Over (Under) Expenditures and													
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	1,691	1,691
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	19,801	19,801
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	19,801	19,801
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	\$ 21,492	\$ 21,492

Stillwater Township School District
Special Revenue Fund
Preschool Education Aid Schedule of Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 400,451	\$ (1)	\$ 400,450	\$ 361,718	\$ 38,732
Other Salaries for Instruction	112,081	1	112,082	94,499	17,583
Unused Vacation	8,820	(200)	8,620	-	8,620
General Supplies	13,219	400	13,619	13,589	30
Other Objects	6,965	(200)	6,765	2,515	4,250
Total instruction	541,536	-	541,536	472,321	69,215
Support services:					
Salaries of Program Directors	22,895	-	22,895	22,873	22
Salaries of Other Professional Staff	17,857	(804)	17,053	16,762	291
Salaries of Secretarial & Clerical Staff	10,113	-	10,113	10,103	10
Other Salaries	40,340	(348)	39,992	29,322	10,670
Salaries of Comm. Parent Invol. Spec.	16,449	180	16,629	16,629	-
Salaries of Master Teachers	12,500	3,831	16,331	3,870	12,461
Personal Services - Employee Benefits	321,369	(13,098)	308,271	258,144	50,127
Other Purchased Services	350	-	350	250	100
Cleaning Repairs and Maintenance	11,000	1,600	12,600	12,600	-
Transportation Between Home & School	7,015	-	7,015	7,015	-
Transportation Field Trips	5,000	-	5,000	1,380	3,620
Supplies and Materials	14,324	8,639	22,963	22,963	-
Other Objects	3,000	-	3,000	1,665	1,335
Total support services	482,212	-	482,212	403,576	78,636
Total Expenditures	\$ 1,023,748	-	\$ 1,023,748	\$ 875,897	\$ 147,851

CALCULATION OF BUDGET & CARRYOVER

Total 2024-2025 PreK Aid Allocation	\$ 800,592
Add: Actual ECPA Carryover June 30, 2024	211,315
Add: Budgeted Transfer From General Fund	123,168
Total Funds Available for 2024-2025 Budget	1,135,075
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(1,023,748)
Available & Unbudgeted Funds as of June 30, 2025	111,327
Add: June 30, 2025 Unexpended PreK Aid	147,851
2024-2025 Actual Carryover - PreK Aid	259,178
2024-2025 PreK Carryover Budgeted in 2025-2026	\$ 111,327

CAPITAL PROJECTS FUND DETAIL STATEMENTS
--

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

PROPRIETARY FUND DETAIL STATEMENTS
--

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

N/A

Stillwater Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	86-91
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	92-95
Debt Capacity (J-10 thru J-13) 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.	96-99
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	100-101
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	102-106

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Stillwater Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582	\$ 2,819,347	\$ 3,046,580	\$ 3,363,845	\$ 3,213,859
Restricted	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765	1,943,470	1,799,874	2,629,825	2,964,117
Unrestricted	(1,248,108)	(1,340,395)	(1,281,374)	(1,229,010)	(1,217,390)	(1,099,949)	(926,038)	352	(610,708)	(545,005)
Total governmental activities net position	<u>\$ 2,423,845</u>	<u>\$ 2,702,987</u>	<u>\$ 2,801,201</u>	<u>\$ 3,077,278</u>	<u>\$ 3,027,471</u>	<u>\$ 3,472,398</u>	<u>\$ 3,836,779</u>	<u>\$ 4,846,806</u>	<u>\$ 5,382,962</u>	<u>\$ 5,632,971</u>
Business-type activities										
Invested in capital assets, net of related debt								\$ 17,115	\$ 106,719	\$ 98,174
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	23,987	21,068	\$ 20,047	\$ 8,143	\$ 28,781	\$ 42,612	\$ 88,237	66,456	87,435	45,808
Total business-type activities net position	<u>\$ 23,987</u>	<u>\$ 21,068</u>	<u>\$ 20,047</u>	<u>\$ 8,143</u>	<u>\$ 28,781</u>	<u>\$ 42,612</u>	<u>\$ 88,237</u>	<u>\$ 83,571</u>	<u>\$ 194,154</u>	<u>\$ 143,982</u>
District-wide										
Invested in capital assets, net of related debt	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582	\$ 2,819,347	\$ 3,063,695	\$ 3,470,564	\$ 3,312,033
Restricted	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765	1,943,470	1,799,874	2,629,825	2,964,117
Unrestricted	(1,224,121)	(1,319,327)	(1,261,327)	(1,220,867)	(1,188,609)	(1,057,337)	(837,801)	66,808	(523,273)	(499,197)
Total district net position	<u>\$ 2,447,832</u>	<u>\$ 2,724,055</u>	<u>\$ 2,821,248</u>	<u>\$ 3,085,421</u>	<u>\$ 3,056,252</u>	<u>\$ 3,515,010</u>	<u>\$ 3,925,016</u>	<u>\$ 4,930,377</u>	<u>\$ 5,577,116</u>	<u>\$ 5,776,953</u>

Source: ACFR Schedule A-1

Stillwater Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,518,463	\$ 4,207,703	\$ 4,010,017	\$ 3,312,743	\$ 3,211,706	\$ 3,702,043	\$ 3,483,915	\$ 3,243,152	\$ 3,283,925	\$ 3,126,160
Special education	810,625	947,512	962,937	990,451	820,544	912,461	773,701	739,641	779,988	748,542
Other special education	161,170	202,689	308,354	207,145	217,784	197,720	108,307	6,883	108,588	149,896
School Sponsored										
Support Services:										
Tuition				11,445	-	6,241	92,511	4,347	24,302	-
Student & instruction related services	907,722	1,000,265	1,136,916	1,036,107	1,125,448	1,181,380	1,254,565	1,341,463	1,405,444	1,474,843
General administrative services	610,182	696,598	815,605	640,294	645,015	645,460	588,652	544,143	638,782	686,721
School administrative services	193,100	187,949	193,035	189,719	117,316	199,417	185,453	176,379	125,580	128,354
Business administrative services										
Plant operations and maintenance	659,861	789,065	909,151	998,851	875,513	1,169,184	937,943	861,075	838,133	791,398
Pupil transportation	304,332	316,376	291,968	293,111	275,774	260,192	226,842	223,984	293,614	314,156
Charter School										
Interest Expense and fiscal charges	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790
Capital Outlay										
Unallocated depreciation	87,552	75,857	89,135	108,174	119,979	111,259	126,610	158,765	184,278	149,749
Total governmental activities expenses	<u>7,254,797</u>	<u>8,425,804</u>	<u>8,718,908</u>	<u>7,789,830</u>	<u>7,410,869</u>	<u>8,387,147</u>	<u>7,780,289</u>	<u>7,301,622</u>	<u>7,684,424</u>	<u>7,571,609</u>
Business-type activities:										
Food service	128,499	111,357	110,711	111,069	61,870	106,200	147,951	164,894	178,388	222,676
Total business-type activities expense	<u>128,499</u>	<u>111,357</u>	<u>110,711</u>	<u>111,069</u>	<u>61,870</u>	<u>106,200</u>	<u>147,951</u>	<u>164,894</u>	<u>178,388</u>	<u>222,676</u>
Total district expenses	<u>\$ 7,383,296</u>	<u>\$ 8,537,161</u>	<u>\$ 8,829,619</u>	<u>\$ 7,900,899</u>	<u>\$ 7,472,739</u>	<u>\$ 8,493,347</u>	<u>\$ 7,928,240</u>	<u>\$ 7,466,516</u>	<u>\$ 7,862,812</u>	<u>\$ 7,794,285</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ 176,302	\$ 152,631	\$ 172,335	\$ 157,800	\$ 82,500	\$ 37,687	\$ 58,069	\$ 48,326	\$ 56,746	\$ 18,442
Operating grants and contributions	3,366,281	4,247,491	4,478,085	3,675,039	3,288,682	4,261,319	3,353,231	3,405,552	2,463,634	2,066,170
Capital grants and contributions										
Total governmental activities program revenues	<u>3,542,583</u>	<u>4,400,122</u>	<u>4,650,420</u>	<u>3,832,839</u>	<u>3,371,182</u>	<u>4,299,006</u>	<u>3,411,300</u>	<u>3,453,878</u>	<u>2,520,380</u>	<u>2,084,612</u>
Business-type activities:										
Charges for services										
Food service	77,063	66,948	70,167	63,994	38,684	10,933	18,751	87,436	118,190	110,583
Operating grants and contributions	39,172	37,510	39,183	35,137	23,798	99,056	173,711	71,414	77,199	54,768
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>116,235</u>	<u>104,458</u>	<u>109,350</u>	<u>99,131</u>	<u>62,482</u>	<u>109,989</u>	<u>192,462</u>	<u>158,850</u>	<u>195,389</u>	<u>165,351</u>
Total district program revenues	<u>\$ 3,658,818</u>	<u>\$ 4,504,580</u>	<u>\$ 4,759,770</u>	<u>\$ 3,931,970</u>	<u>\$ 3,433,664</u>	<u>\$ 4,408,995</u>	<u>\$ 3,603,762</u>	<u>\$ 3,612,728</u>	<u>\$ 2,715,769</u>	<u>\$ 2,249,963</u>
Net (Expense)/Revenue										
Governmental activities	\$ (3,712,214)	\$ (4,025,682)	\$ (4,068,488)	\$ (3,956,991)	\$ (4,039,687)	\$ (4,088,141)	\$ (4,368,989)	\$ (3,847,744)	\$ (5,164,044)	\$ (5,486,997)
Business-type activities	(12,264)	(6,899)	(1,361)	(11,938)	612	3,789	44,511	(6,044)	17,001	(57,325)
Total district-wide net expense	<u>\$ (3,724,478)</u>	<u>\$ (4,032,581)</u>	<u>\$ (4,069,849)</u>	<u>\$ (3,968,929)</u>	<u>\$ (4,039,075)</u>	<u>\$ (4,084,352)</u>	<u>\$ (4,324,478)</u>	<u>\$ (3,853,788)</u>	<u>\$ (5,147,043)</u>	<u>\$ (5,544,322)</u>

continued

Stillwater Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	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	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290	\$ 4,610,694	\$ 4,809,148	\$ 5,253,298	\$ 5,558,880
Property taxes levied for debt service, net										
Federal and State Aid not restricted										
Investment earnings	3,882	4,486	6,343	8,725	7,300	4,095	3,694	18,923	127,556	137,689
Miscellaneous income	38,207	27,201	22,463	23,035	17,345	18,683	118,982	29,700	90,625	40,437
Federal and State Aid for Capital Assets Projects										
Disposal of Assets										
Transfers										
Total governmental activities	<u>4,085,124</u>	<u>4,144,899</u>	<u>4,166,702</u>	<u>4,233,068</u>	<u>4,309,979</u>	<u>4,543,068</u>	<u>4,733,370</u>	<u>4,857,771</u>	<u>5,471,479</u>	<u>5,737,006</u>
Business-type activities:										
Investment earnings	76	53	53	53	53	53	53	53	53	53
Miscellaneous income	5,125	3,927	287	(19)	(27)	(11)	1,061	1,325	3,608	7,100
Transfers										
Total business-type activities	<u>5,201</u>	<u>3,980</u>	<u>340</u>	<u>34</u>	<u>26</u>	<u>42</u>	<u>1,114</u>	<u>1,378</u>	<u>3,661</u>	<u>7,153</u>
Total district-wide	<u>\$ 4,090,325</u>	<u>\$ 4,148,879</u>	<u>\$ 4,167,042</u>	<u>\$ 4,233,102</u>	<u>\$ 4,310,005</u>	<u>\$ 4,543,110</u>	<u>\$ 4,734,484</u>	<u>\$ 4,859,149</u>	<u>\$ 5,475,140</u>	<u>\$ 5,744,159</u>
Change in Net Position										
Governmental activities	\$ 372,910	\$ 119,217	\$ 98,214	\$ 276,077	\$ 270,292	\$ 454,927	\$ 364,381	\$ 1,010,027	\$ 307,435	\$ 250,009
Business-type activities	(7,063)	(2,919)	(1,021)	(11,904)	638	3,831	45,625	(4,666)	20,662	(50,172)
Total district	<u>\$ 365,847</u>	<u>\$ 116,298</u>	<u>\$ 97,193</u>	<u>\$ 264,173</u>	<u>\$ 270,930</u>	<u>\$ 458,758</u>	<u>\$ 410,006</u>	<u>\$ 1,005,361</u>	<u>\$ 328,097</u>	<u>\$ 199,837</u>

Source: ACFR Schedule A-2

Stillwater Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	\$ 1,631,222	\$ 1,882,705	\$ 1,858,019	\$ 1,722,425	\$ 1,867,257	\$ 1,921,539	\$ 1,997,241	\$ 1,800,152	\$ 2,657,022	\$ 2,988,552
Unreserved	69,799	69,588	73,691	89,749	110,317	139,770	181,980	992,839	285,914	242,853
Total general fund	<u>\$ 1,701,021</u>	<u>\$ 1,952,293</u>	<u>\$ 1,931,710</u>	<u>\$ 1,812,174</u>	<u>\$ 1,977,574</u>	<u>\$ 2,061,309</u>	<u>\$ 2,179,221</u>	<u>\$ 2,792,991</u>	<u>\$ 2,942,936</u>	<u>\$ 3,231,405</u>
All Other Governmental Funds										
Reserved					\$ 9,571	\$ 10,115	\$ 21,259	\$ 17,912	\$ 19,801	\$ 21,492
Unreserved, reported in:										
Special revenue fund					(31,878)	(51,723)	(87,672)	(74,231)	(75,666)	(80,063)
Capital projects fund										
Debt service fund										
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,307)</u>	<u>(41,608)</u>	<u>\$ (66,413)</u>	<u>\$ (56,319)</u>	<u>\$ (55,865)</u>	<u>\$ (58,571)</u>

Source: ACFR Schedule B-1

Stillwater Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	<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>
Revenues										
Tax levy	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290	\$ 4,610,694	\$ 4,809,148	\$ 5,253,298	\$ 5,558,880
Tuition charges	176,302	152,631	172,335	157,800	82,500	31,183	38,644	37,706	43,456	6,800
Interest earnings	815	889	918	956	1,234	492	1,137	2,635	23,805	51,211
Miscellaneous	41,274	30,798	27,888	30,804	23,411	28,790	140,964	56,608	207,666	138,557
State sources	2,544,211	2,638,854	2,713,184	2,726,944	2,815,829	2,979,739	3,247,694	3,794,144	2,881,574	2,860,104
Federal sources	152,051	147,105	153,201	154,381	128,324	226,344	282,331	350,291	437,483	202,190
Total revenue	6,957,688	7,083,489	7,205,422	7,272,193	7,336,632	7,786,838	8,321,464	9,050,532	8,847,282	8,817,742
Expenditures										
Instruction										
Regular Instruction	2,107,407	2,119,935	2,166,850	1,939,880	1,983,907	2,097,447	2,324,418	2,361,387	2,396,540	2,373,187
Special education instruction	512,851	529,948	529,120	593,268	519,444	528,227	527,746	553,410	587,189	582,968
Other special instruction	101,966	113,365	169,436	124,077	137,868	114,461	73,877	5,150	81,747	116,740
School Sponsored Other Instruction										
Support Services:										
Tuition				11,445	-	6,241	92,511	4,347	24,302	-
Student & instruction related services	574,280	559,453	624,719	620,615	712,464	683,905	855,747	1,003,701	1,058,043	1,148,614
General administrative services	198,320	229,497	255,367	231,542	261,392	221,138	235,712	234,910	299,505	344,253
School Administrative services	122,167	105,121	106,070	113,639	74,267	115,443	126,499	131,969	94,539	99,963
Business administrative services	184,609	157,420	144,808	148,144	142,673	148,570	161,315	166,587	174,838	185,252
Plant operations and maintenance	415,981	440,039	439,205	531,386	528,169	569,559	618,153	636,271	599,269	600,069
Pupil transportation	304,332	316,376	291,968	293,111	275,774	260,192	226,842	223,984	293,614	314,156
Unallocated employee benefits	1,759,535	1,914,009	2,048,046	2,171,371	2,169,693	2,327,850	2,567,000	2,559,859	2,650,700	2,595,069
Special Revenue										
Charter Schools	131,547	79,866	65,275	19,375	141,465	69,837	106,270	78,486	48,090	87,079
Capital outlay	364,356	267,188	385,141	593,876	315,708	569,534	312,267	466,607	388,507	84,629
Debt service										
Total expenditures	6,777,351	6,832,217	7,226,005	7,391,729	7,262,824	7,712,404	8,228,357	8,426,668	8,696,883	8,531,979
Excess (Deficiency) of revenues over (under) expenditures	180,337	251,272	(20,583)	(119,536)	73,808	74,434	93,107	623,864	150,399	285,763
Other Financing Sources (uses)										
Transfers in										
Transfers out	-	-	-	-	(20,000)	(10,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(20,000)	(10,000)	-	-	-	-
Net change in fund balances	\$ 180,337	\$ 251,272	\$ (20,583)	\$ (119,536)	\$ 53,808	\$ 64,434	\$ 93,107	\$ 623,864	\$ 150,399	\$ 285,763
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

STILLWATER TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS

UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Funds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 3,067	\$ 11,803	\$ 815	\$ 176,302	\$ 24,698	\$ 216,685
2017	3,597	6	889	152,631	1,285	158,408
2018	5,425	9	918	172,335	5,843	184,530
2019	7,769		956	157,800	8,700	175,225
2020	6,066	7,200	1,234	82,500	6,062	103,062
2021	3,603		492	31,183	566	35,844
2022	2,756	3,909	938	38,644	91,767	138,014
2023	16,675		2,248	37,706	21,439	78,068
2024	108,866	73,399	18,690	43,456	6,026	250,437
2025	95,464	25,112	42,225	6,800	2,445	172,046

SOURCE: District Records

Stillwater Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

<u>Year Ended December 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>farmland value</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2016	\$7,159,800	\$341,998,200	\$39,525,100	\$1,582,200	\$13,344,300	\$324,700	-	\$472,751,756	\$68,244,200	\$573,256	\$404,507,556	\$1.007	\$447,554,460
2017	7,421,600	343,742,100	37,572,500	1,573,300	13,730,500	324,700	-	473,008,404	68,033,200	610,504	404,975,204	1.016	437,771,416
2018	7,482,600	342,279,500	39,007,300	1,563,100	14,592,900	324,700	-	474,533,277	68,649,600	633,577	405,883,677	1.027	455,280,148
2019	7,050,800	342,478,700	39,088,600	1,554,900	14,592,900	324,700	-	475,028,796	69,224,300	713,896	405,804,496	0.000	452,762,968
2020	6,783,200	343,244,800	39,472,500	1,521,800	14,592,900	324,700	-	476,369,511	69,667,200	762,411	406,702,311	1.083	452,284,646
2021	6,650,800	344,806,100	38,626,200	1,570,400	14,719,200	300,000	-	477,064,300	70,391,600	-	406,672,700	1.124	465,069,150
2022	6,380,100	344,076,400	39,363,200	1,462,400	14,719,200	300,000	-	477,919,800	71,618,500	-	406,301,300	1.157	471,459,650
2023	6,648,100	344,218,000	39,527,900	1,413,300	14,899,200	259,000	-	479,317,000	72,351,500	-	406,965,500	1.232	508,189,185
2024	6,501,100	344,566,600	41,205,300	1,460,900	14,484,000	259,000	-	480,606,100	72,129,200	-	408,476,900	1.321	572,967,034
2025	6,312,300	344,820,200	41,369,800	1,500,200	14,869,800	259,000	-	481,828,300	72,697,000	-	409,131,300	1.321	625,870,259

Source: District records Tax list summary & 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

**Stillwater Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Year Ended December 31	Stillwater Township Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Total Direct	Regional High School District	Stillwater Township	Sussex County	
2016	\$0.996	\$0.996	\$0.873	\$0.495	\$0.572	\$2.936
2017	\$1.007	\$1.007	\$0.850	\$0.500	\$0.597	\$2.954
2018	\$1.016	\$1.016	\$0.879	\$0.502	\$0.640	\$3.037
2019	\$1.027	\$1.027	\$0.904	\$0.508	\$0.649	\$3.088
2020	\$1.043	\$1.043	\$0.894	\$0.498	\$0.645	\$3.080
2021	\$1.083	\$1.083	\$0.951	\$0.505	\$0.669	\$3.208
2022	\$1.124	\$1.124	\$1.002	\$0.523	\$0.680	\$3.329
2023	\$1.157	\$1.157	\$1.019	\$0.524	\$0.702	\$3.402
2024	\$1.232	\$1.232	\$1.030	\$0.524	\$0.725	\$3.511
2025	\$1.321	\$1.321	\$1.062	\$0.524	\$0.720	\$3.627

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.0 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

Stillwater Township Board of Education
Principal Property Tax Payers
Current Year and Nine years Ago

Exhibit J-8

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Mountain Shadows Lake Assoc.	\$2,041,500	1	0.50%	\$2,041,500	1	0.50%
US Bank N.A.				1,578,000	2	0.39%
North Shore House	1,679,200	2	0.41%	1,297,500	3	0.32%
Individual Taxpayer #1	1,278,900	3	0.31%	1,278,900	4	0.31%
Individual Taxpayer #2	1,200,100	4	0.29%	1,203,100	5	0.29%
Individual Taxpayer #3	1,082,000	5	0.26%	1,082,000	6	0.26%
Greenwood Pt Cottages	1,000,000	6	0.24%	1,000,000	7	0.24%
Individual Taxpayer #4	908,500	7	0.22%	879,800	8	0.22%
Individual Taxpayer #5	881,400	8	0.22%	862,400	9	0.21%
Individual Taxpayer #6	858,300	9	0.21%	906,700	10	0.22%
Individual Taxpayer #7	781,500	10	0.19%			
Total	<u>\$11,711,400</u>		<u>2.86%</u>	<u>\$12,129,900</u>		<u>2.96%</u>

Source: District ACFR & Municipal Tax Assessor

**Stillwater Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$4,043,035	\$4,043,035	100.00%	-
2017	\$4,113,212	\$4,113,212	100.00%	-
2018	\$4,137,896	\$4,137,896	100.00%	-
2019	\$4,201,308	\$4,201,308	100.00%	-
2020	\$4,285,334	\$4,285,334	100.00%	-
2021	\$4,520,290	\$4,520,290	100.00%	-
2022	\$4,610,694	\$4,610,694	100.00%	-
2023	\$4,809,148	\$4,809,148	100.00%	-
2024	\$5,253,298	\$5,253,298	100.00%	-
2025	\$5,558,880	\$5,558,880	100.00%	-

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

**Stillwater Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2015	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2022	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2023	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2024	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2025	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A

Source: District ACFR Schedules I-1, I-2

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Stillwater Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-
2024	-0-	-0-	-0-	-0-	-0-
2025	-0-	-0-	-0-	-0-	-0-

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

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

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

R Revised

* Current data unavailable

Stillwater Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Exhibit J-12

<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			
Stillwater Township	\$ 1,778,567	100.000%	\$ 1,778,567
Other debt			
Kittatinny Regional School District	-	0.000%	-
Sussex County	79,054,107	2.65%	<u>2,098,356</u>
Subtotal, overlapping debt			3,876,923
Stillwater Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 3,876,923</u></u>

Sources: Stillwater Township Finance Officer, Sussex County Finance Office
and Utility Authorities

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

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

Stillwater Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

							Equalized valuation basis				
							2022	570,059,532			
							2023	624,009,930			
							2024	680,071,975			
							[A]	<u>\$1,874,141,437</u>			
Average equalized valuation of taxable property							[A/3]	\$	624,713,812		
Debt limit (2.5 % of average equalization value)							[B]		15,617,845		
Net bonded school debt							[C]		-		
Legal debt margin							[B-C]	\$	<u>15,617,845</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>	
Debt limit	\$11,212,103	\$11,135,595	\$11,168,191	\$11,284,159	\$11,378,745	\$11,542,834	\$12,016,245	\$12,898,265	\$14,172,330	\$15,617,845	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	
Legal debt margin	<u>\$11,212,103</u>	<u>\$11,135,595</u>	<u>\$11,168,191</u>	<u>\$11,284,159</u>	<u>\$11,378,745</u>	<u>\$11,542,834</u>	<u>\$12,016,245</u>	<u>\$12,898,265</u>	<u>\$14,172,330</u>	<u>\$15,617,845</u>	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Stillwater Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2016	3,954	\$224,065,161	\$55,872 R	4.6%
2017	3,927	\$232,273,332	\$57,565 R	4.1%
2018	3,910	\$219,506,981	\$59,870 R	3.9%
2019	3,900	\$218,720,419	\$63,036 R	3.2%
2020	3,878	\$238,999,590	\$66,361 R	8.2%
2021	3,855	\$245,887,320	\$70,228 R	5.4%
2022	4,020	\$272,612,280	\$71,343 R	3.6%
2023	4,048	\$287,646,832	\$75,364 R	3.7%
2024	4,063	\$291,199,273	\$75,364 *	4.5%
2025	4,093	\$308,464,852	\$75,364 *	*

Source:

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

^b Per Capita information provided by U.S. Dept of Commerce.

^c Per Capita information provided by U.S. Dept of Commerce.

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

R Revised

P Projected

* Current data unavailable

**Stillwater Township School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

Employer	2025			2016		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Stocker Bus	70	1	0.00%			0.00%
Stillwater Township School	65	2	0.00%			0.00%
Fairview Lake YMCA Camp	47	3	0.00%			0.00%
Stillwater Township Municipal Employees	41	4	0.00%			0.00%
Lou Hoover YMCA Camp	18	5	0.00%			0.00%
Swartzwood State Park	13	6	0.00%			0.00%
C&V Paving	8	7	0.00%			0.00%
Roy Biscoff Mason Supply	5	8	0.00%			0.00%
Stillwater Café	3	9	0.00%			0.00%
		10	0.00%			0.00%
						0.00%
	270		0.00%	-		0.00%

Source: N/A=No reliable data available

**Stillwater Township School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

	<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>
<u>Function/Program</u>										
Instruction										
Regular	28.0	27.4	27.4	22.7	22.7	24.7	23.8	23.8	23.1	23.6
Special education	8.0	7.5	7.5	8.5	8.5	6.8	7.8	7.8	8.8	8.0
Other special education	-	-	-	-	-		-	-		
Support Services:										
Student and Instruction Related Services	11.2	9.1	9.1	12.8	12.8	14.6	15.8	16.6	19.7	19.8
General administrative services	1.6	2.0	2.0	2.0	2.0	2.0	2.0	1.3	1.7	1.7
School administrative services	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
Central Services	2.1	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Plant Operations and Maintenance	3.6	3.6	3.6	4.0	4.0	4.6	4.6	5.2	5.2	5.2
Transportation	0	0	0	0	0	0	0	0	0.2	0.2
Total	56.9	53.6	53.6	54.0	54.0	56.7	58.0	58.7	61.9	61.8

Source: District Personnel Records

**Stillwater Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	323	\$ 6,412,995	\$19,854	8.14%	39	1:8.3	318.4	301.6	-9.00%	94.7%
2017	289	6,565,029	22,716	14.41%	38	1:7.6	289.1	273.9	-9.20%	94.7%
2018	286	6,840,864	23,919	5.29%	37	1:6.5	285.1	270.6	-1.39%	94.9%
2019	262	6,797,853	25,946	8.47%	36	1:7.4	266.4	252.2	-6.56%	94.7%
2020	250	6,947,116	27,788	7.10%	36	1:7.0	251.4	241.7	-5.63%	96.1%
2021	271	7,142,870	26,357	-5.15%	36	1:7.6	272.2	265.9	8.27%	97.7%
2022	265	7,916,090	29,872	13.33%	36	1:7.4	264.9	246.1	-2.68%	92.9%
2023	281	7,960,061	28,328	-5.17%	35	1:8.0	284.4	262.5	7.36%	92.3%
2024	287	8,308,376	28,949	2.19%	36	1:8.0	287.2	269.5	0.98%	93.8%
2025	296	8,447,350	28,538	-1.42%	36	1:8.3	295.7	276.5	2.97%	93.5%

Sources: District records, ASSA and Schedule J-4

Note: Enrollment based on annual June 30 district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Stillwater Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<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>
<u>District Building</u>										
<u>Stillwater Township Elementary School - K-6</u>										
Square Feet	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment	323	289	286	262	250	271	265	281	287	296

Number of Schools at June 30, 2025
Elementary = 1

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

STILLWATER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>Total</u>
Elementary School	N/A	\$ 119,995	\$ 94,442	\$ 97,490	\$ 106,960	\$ 111,920	\$ 149,800	\$ 156,200	\$ 166,153	\$ 141,782	\$ 191,693	\$ 1,336,435
Total School Facilities		119,995	94,442	97,490	106,960	111,920	149,800	156,200	166,153	141,782	191,693	1,336,435
Other Facilities												
Grand Total		\$ 119,995	\$ 94,442	\$ 97,490	\$ 106,960	\$ 111,920	\$ 149,800	\$ 156,200	\$ 166,153	\$ 141,782	\$ 191,693	\$ 1,336,435

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit J-20

INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY-NJSIG		
<u>Property:</u>		
Building & Personal Property	\$ 16,499,924	\$ 5,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Flood (All Flood Zones)	75,000,000	10,000
Earthquake	50,000,000	
Terrorism	1,000,000	
Accounts Receivable	250,000	
<u>Electronic Data Processing:</u>		
Data Processing Equipment Including Data and Media, Extra Expense, Business Income, Duplicates, Transit and Debris Removal	350,000,000	1,000
Terrorism	included in property	
Computer Virus	250,000	
<u>Equipment Breakdown:</u>		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	25,000
<u>General Liability:</u>		
Each Occurrence	11,000,000	None
Employee Benefits Liability	11,000,000	1,000
Sexual Abuse	11,000,000	per occurrence
Premises Medical Payments	10,000	per Accident
Terrorism	1,000,000	
Communicable Disease	1,000,000	per Occurrence
<u>Automobile:</u>		
Automobile Liability Coverage	11,000,000	
<u>Environmental Impairment Liability (excludes mold)</u>		
Business Income and Extra Expense	1,000,000	50,000
Terrorism	Included	72 Hour waiting period
Underground Storage Tanks (2)	1,000,000	50,000
<u>Crime:</u>		
Employee Dishonesty, Faithful Performance & Computer Hacking	1,000,000	1,000
Money & Securities	100,000	1,000
Forgery or Alteration	1,000,000	1,000
<u>School Board Legal Liability:</u>		
School Board Legal (SLPL) NJSIG	11,000,000	Coverage A \$5,000
Coverage B	\$100,000/300/000	Coverage B same
Communicable Disease	1,000,000	per Claim
<u>Workers Compensation:</u>		
Workers' Compensation NJSIG	Statutory	
Employer's Liability	3,000,000	None
<u>Cyber Liability:</u>		
Breach Response	2,000,000	500,000
eCrime:	250,000	Various
Bond for School Business Administrator- 11/29/24-25	200,000	Selective Insurance
Bond for Treasurer of School Monies effective 7/1/24-25	200,000	Selective Insurance
<u>Student Accident- Bollinger/Mutual of Omaha</u>		
Base Policy	25,000	-
Catastrophic Policy	6,000,000	25,000

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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 Auditor's Report

Honorable President and
 Members of the Board of Education
 Stillwater Township School District
 County of Sussex
 Newton, New Jersey 07860

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stillwater Township School District Board of Education in the County of Sussex, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Stillwater Township School District Board of Education's basic financial statements, and have issued our report thereon dated October 31, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

-Continued-

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
October 31, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
October 31, 2025



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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Stillwater Township School District
 County of Sussex
 Newton, New Jersey 07860

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Stillwater Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The Stillwater Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey 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 Stillwater Township School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Stillwater Township School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

-Continued-

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 generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey 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 state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

-Continued-

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 31, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 31, 2025

STILLWATER TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Health and Human Services																
Passed-through State Department of Human Services:																
General Fund:																
Medical Assistance Program (SEMI)	93.778	2405NJ5MAP	N/A	\$ 2,583	7/1/24	6/30/25			\$ 2,583	\$ (2,583)						\$ 2,583
Total General Fund							-	-	2,583	(2,583)	-	-	-	-	-	2,583
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A240030	N/A	41,345	7/1/24	6/30/25	\$ (12,200)		42,880	(41,345)		\$ (10,665)				41,345
Total Title I Part A Cluster							(12,200)	-	42,880	(41,345)	-	-	(10,665)	-	-	41,345
Title II Part A	84.367A	S367B240027	N/A	4,791	7/1/24	6/30/25			4,791	(4,791)			-			4,791
Title IV	84.424A	S424A240027	N/A	10,000	7/1/24	6/30/25	(1,882)		7,523	(10,000)			(4,359)			10,000
Rural Education Achievement Program	84.358A	S358B230030	S358A232619	31,075	7/1/23	9/30/24	-		24,665	(24,665)						31,075
Rural Education Achievement Program	84.358A	S358B240030	S358A242732	31,272	7/1/24	9/30/25	-		942	(31,272)			(30,330)			31,272
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	N/A	80,052	7/1/24	6/30/25	(3,632)		74,102	(80,052)			(9,582)			80,052
I.D.E.A. Part B, Basic Preschool	84.173	H173A240114	N/A	5,843	7/1/24	6/30/25	(686)		6,150	(5,843)			(379)			5,843
Total Special Education Cluster							(4,318)	-	80,252	(85,895)	-	-	(9,961)	-	-	85,895
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	197,502	3/13/20	9/30/24	(22,199)		22,199	-			-	-		197,502
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U240027	ARP	50,000	3/13/20	9/30/24	(2,645)		3,445	(800)			-	-		50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	1		-	\$ (1)			-	-		40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(4,243)		5,082	(839)			-	-		40,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U240027	ARP	45,000	3/13/20	9/30/24	(9,572)		9,572				-	-		45,000
Total Education Stabilization Fund							(38,658)	-	40,298	(1,639)	(1)	-	-	-	-	372,502
Total Special Revenue Fund							(57,058)	-	201,351	(199,607)	(1)	-	(55,315)	-	-	576,880
U.S. Department of Agriculture																
Passed-Through State Department of Agriculture:																
Enterprise Fund																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	2,450			(2,450)						2,450
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	N/A	7,932	7/1/24	6/30/25			7,932	(4,985)				2,947		4,985
School Breakfast Program	10.553	241NJ304N1199	N/A		7/1/23	6/30/24	(251)		251							
School Breakfast Program	10.553	251NJ304N1199	N/A	6,604	7/1/24	6/30/25			6,250	(6,604)			(354)			6,604
National School Lunch Prog.	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	(922)		922							
National School Lunch Prog.	10.555	251NJ304N1199	N/A	35,482	7/1/24	6/30/25			34,114	(35,482)			(1,368)			35,482
P-EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	6/30/25			643	(643)			-			643
Local Food for Schools Cooperative Agreement Program	10.185	Not Available	N/A	659	7/1/24	6/30/25			659	(659)			-			659
Total Enterprise Fund							1,277	-	50,771	(50,823)	-	-	(1,722)	2,947	-	50,823
TOTAL FEDERAL ASSISTANCE							\$ (55,781)	-	\$ 254,705	\$ (253,013)	\$ (1)	-	\$ (57,037)	\$ 2,947	-	\$ 630,286

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

STILLWATER TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ INTERFUND PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund:															
Equalization Aid	25-495-034-5125-078	7/1/24-6/30/25	\$ 118,533			\$ 118,533	\$ (118,533)						*	\$ 11,813	\$ 118,533
Transportation Aid	25-495-034-5125-014	7/1/24-6/30/25	151,123			151,123	(151,123)						*	15,061	151,123
Special Education Aid	25-495-034-5125-089	7/1/24-6/30/25	236,765			236,765	(236,765)						*	23,596	236,765
Security Aid	25-495-034-5125-084	7/1/24-6/30/25	33,792			33,792	(33,792)						*	3,368	33,792
Non-Public Transportation Aid	24-100-034-5125-068	7/1/23-6/30/24	5,460	(5,460)		5,460							*		5,460
Non-Public Transportation Aid	25-100-034-5125-068	7/1/24-6/30/25	4,203				(4,203)			\$ (4,203)			*		4,203
Extraordinary Aid	24-495-034-5125-044	7/1/23-6/30/24	31,691	(31,691)		31,691							*		31,691
Extraordinary Aid	25-495-034-5125-044	7/1/24-6/30/25	42,488				(42,488)			(42,488)			*		42,488
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	990,235			990,235	(990,235)						*		990,235
On Behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	289,348			289,348	(289,348)						*		289,348
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	322			322	(322)						*		322
Reimbursed TPAF Soc.Secur.Contrib.	25-495-034-5094-003	7/1/24-6/30/25	215,499	(10,553)		215,726	(215,499)			(10,326)			*		215,499
Total General Fund				(47,704)		2,072,995	(2,082,308)			(57,017)			*	53,838	2,119,459
Special Revenue Fund:															
Preschool Education Aid	25-495-034-5125-086	7/1/24-6/30/25	800,592	211,315		800,592	(875,897)	\$ 123,168			\$ 259,178		*	80,063	875,897
DCA - Local Recreation Grant	2025-495-022-8030-668-FFFF-6120	4/25/24-4/30/26	89,000			-	-		-	(89,000)	89,000		*		
Funding for Optim. Comp. Univ. Screeners	25-100-034-5063-371	6/1/25-5/31/26	1,330			-	-		-	(1,330)	1,330		*		
Climate Change Education	24-100-034-5063-359	6/1/24-5/31/25	36,119			18,679	(36,118)			(17,440)	1		*		36,118
Climate Change Education	25-100-034-5063-359	6/1/25-5/31/26	15,000			-	-			(15,000)	15,000		*		
Total Special Revenue Fund				211,315	-	819,271	(912,015)	123,168	-	(122,770)	364,509	-	*	80,063	912,015
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	24-100-010-3350-023	7/1/23-6/30/24		(69)		69							*		
Nat.School Lunch Prog.(State Share)	25-100-010-3350-023	7/1/24-6/30/25	3,944			3,706	(3,944)			(238)			*		3,944
Total Enterprise Fund				(69)		3,775	(3,944)			(238)			*		3,944
Total State Financial Assistance				\$ 163,542	-	\$ 2,896,041	\$ (2,998,267)	123,168	-	\$ (180,025)	\$ 364,509	-	*	\$ 133,901	\$ 3,035,418
Less On-behalf TPAF Pension Amounts:															
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	990,235				990,235								
On Behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	289,348				289,348								
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	322				322								
Total State Expenditures Subject to Major Program Determination							\$ (1,718,362)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Stillwater Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment 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 state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$2,555) for the general fund and (\$8,497) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,583	\$ 2,079,753	\$ 2,082,336
Special Revenue Fund	199,607	780,351	979,958
Food Service Fund	<u>50,824</u>	<u>3,944</u>	<u>54,768</u>
Total Financial Assistance	<u>\$ 253,014</u>	<u>\$ 2,864,048</u>	<u>\$ 3,117,062</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified?
2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes x No

___ Yes
x None
Reported

Noncompliance material to financial
statements noted?

___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

- 1) Material weakness(es) identified?
2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

___ Yes ___ No

___ Yes
___ None

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

N/A

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of ?

___ Yes ___ No

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and
Type B programs:

N/A

Auditee qualified as low-risk auditee?

___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

x yes no

Internal Control over major programs:

1) Material weakness(es) identified?

 yes x no

2) Were significant deficiencies identified
that were not considered to be material
weaknesses?

 yes x none

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

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
NJ OMB Circular letter 15-08 as applicable?

 yes x no

Identification of major programs:

State Grant/Project Number(s)**Name of State Program**

25-495-034-5124-086

Preschool Education Aid

25-495-034-5122-078

Equalization Aid (State Aid Cluster)

25-495-034-5122-089

Special Education Aid (State Aid Cluster)

25-495-034-5122-084

Security Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.