

**SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP**

**Washington Township School District
Long Valley, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Washington Township School District

Long Valley, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Washington Township School District
Business Office**

WASHINGTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



Washington Township Schools

53 West Mill Road ★ Long Valley, New Jersey 07853

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www.wtschools.org

Antonella Lind
Superintendent

Katie DeRiso
Business Administrator

November 7, 2025

The Honorable President and Members of
the Board of Education
Washington Township School District
Long Valley, New Jersey 07853

Dear Board Members and Constituents:

The annual comprehensive financial report of the Washington Township School District (the "District") for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Washington Township Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and analysis of the basic financial statements. It is intended to complement this letter of transmittal and should be read in conjunction with it.

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 MD&A, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and fiscal capacity, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2024-25 fiscal year with an enrollment of 2,009 students, which is an increase of 3 students from the previous year's enrollment.

The District has had significant enrollment declines over the past 10 years; however, enrollment is now projected to stabilize. Students in grades K thru 5 are served in 3 neighborhood schools while students in grades 6 thru 8 are served in the centrally located middle school. While the first school was built in 1949 and the last in 2006 the District takes great pride in maintaining all buildings to meet the educational needs of the student population.

2) ECONOMIC CONDITION AND OUTLOOK: Washington Township is situated approximately 90 minutes west of New York City. Incorporated in 1798 and named for George Washington it is one of ten communities statewide named for the nation's first President. The Township comprises approximately 45 square miles and represents a blend of historic, farming and bucolic elements that make the area highly attractive from a quality of life perspective. Its citizens are highly supportive of the schools and very involved in the abundance of activities offered by community organizations. The Township is primarily residential with a very small commercial center and limited commercial activities. This is not expected to change. A large amount of undeveloped property has been placed in the farmland preservation program. It is not anticipated that there will be major fluctuations in the tax base.

As of the 2020 United States Census, there are 18,197 people, 6,577 households and 6,352 families residing in the township. With a median household income of \$176,351 and only 3% of the population living below the poverty line, the district has been classified by the New Jersey State Department of Education as an "I" district for the District Factor Group (DFG) reporting. The DFG, which also factors in property value, educational background and occupational status is an indicator of the socioeconomic status of citizens in each district. The District's classification places it in the highest 20% of New Jersey Districts.

The District has the appropriate facilities to meet the educational and support needs of its student population; therefore, there are currently no plans for expansion of our schools. As the student population has declined the District has been able to enhance programs offered to students in district facilities, reducing reliance on tuition based services and stabilizing costs. The District continues to utilize financing for major equipment purchases in the areas of technology and transportation due to the current interest environment but will re-evaluate should current financial markets change. While nationally Charter Schools have become popular, the district has seen limited use of this alternative education source and has no students that have chosen this option in the past school year.

3) MAJOR INITIATIVES: The Washington Township Schools offer a diverse and challenging curriculum that is reviewed on a continual cycle to ensure that it is meeting the needs of the students. Equally important is the emphasis placed on socio-emotional needs, character, and respectfulness. Each of the District schools seeks to offer an environment that is free from bullying and rich with experiences that nurture the whole child. The District continues its focus on enhancing technology for both staff and students. The District is continuing to invest in curriculum and early intervention resources. The District places great emphasis on the maintenance of school buildings and is in year three of school referendum projects to provide necessary funding for capital improvements included in the District's Long Range Facility Plan. These improvements include both infrastructure and educational enhancements.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted by the Board of Education, after initial approval by the New Jersey State Department of Education and holding a public hearing for the local taxpayers, 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. All budget amendments are approved as necessary by the Board of Education.

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 restrictions, commitments and assignments of fund balance at June 30, 2025.

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

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

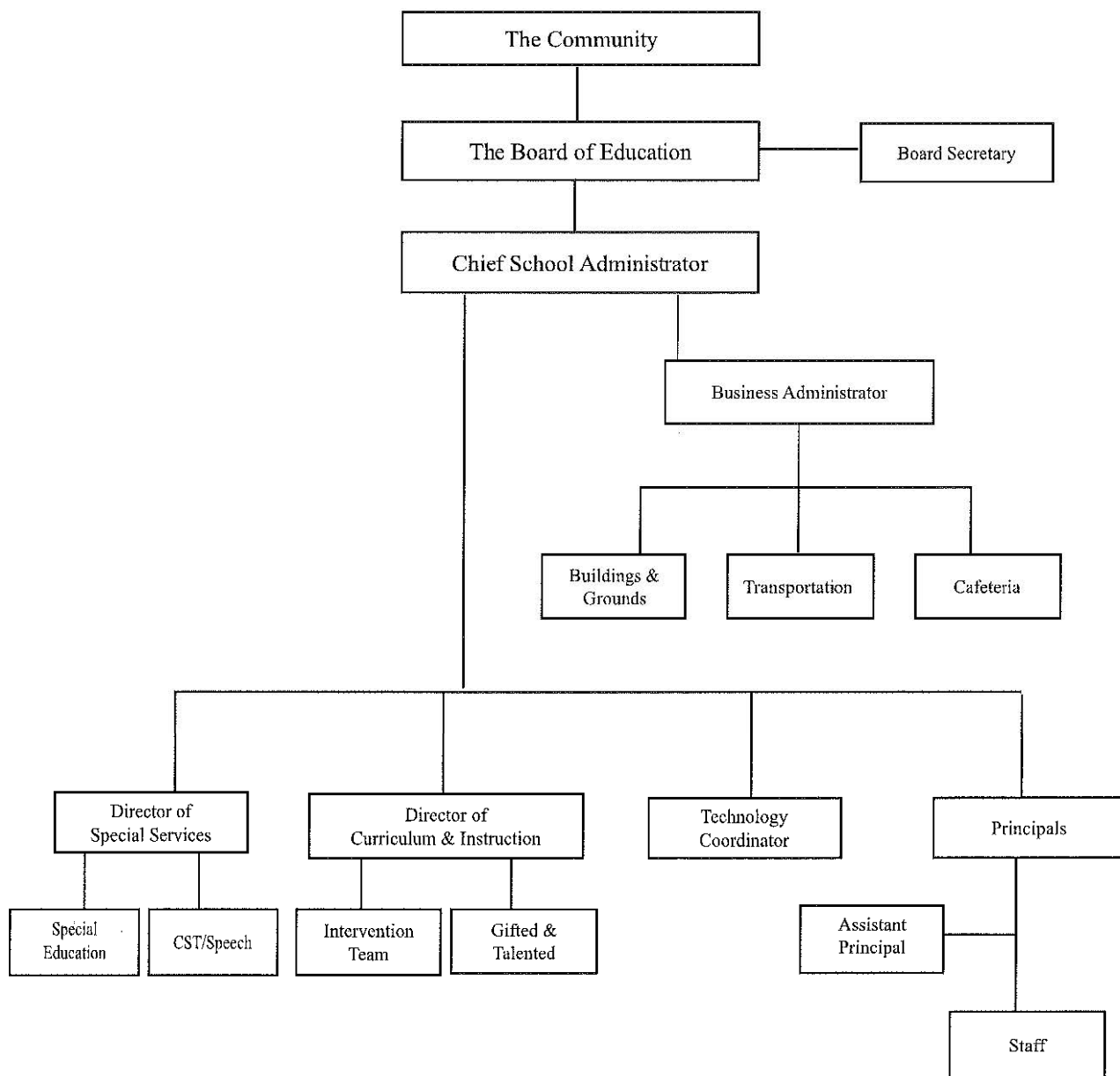
8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Washington Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

Antonella Lind
Antonella Lind
Superintendent

Katherine DeRiso
Katherine DeRiso
Business Administrator/Board Secretary

***Washington Township School District
Long Valley, New Jersey 07853***



**WASHINGTON TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
John Oldmixon, President	2027
Jennifer Ryan, Vice President	2027
Melanie Bratton	2028
Mike Cattano	2028
Jessica DeCicco	2026
John Holly	2026
Lyndsay Suchy	2026
Isabel Vieira	2027
Rob Waskis	2028

<u>Other Officers</u>	<u>Title</u>
Antonella Lind	Superintendent of Schools
Katherine DeRiso	Board Secretary/School Business Administrator

WASHINGTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP
200 Valley Road Suite 300
Mount Arlington, NJ 07856

Attorney

Fogarty & Hara
21-00 Route 208 South, Suite 301
Fair Lawn, NJ 07410

Official Depository

Valley National Bank
342 Route 46 West
Budd Lake, NJ 07828

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Washington Township School District
County of Morris, New Jersey

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 7, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Overview of the Financial Statements

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Washington Township School District's Financial Report

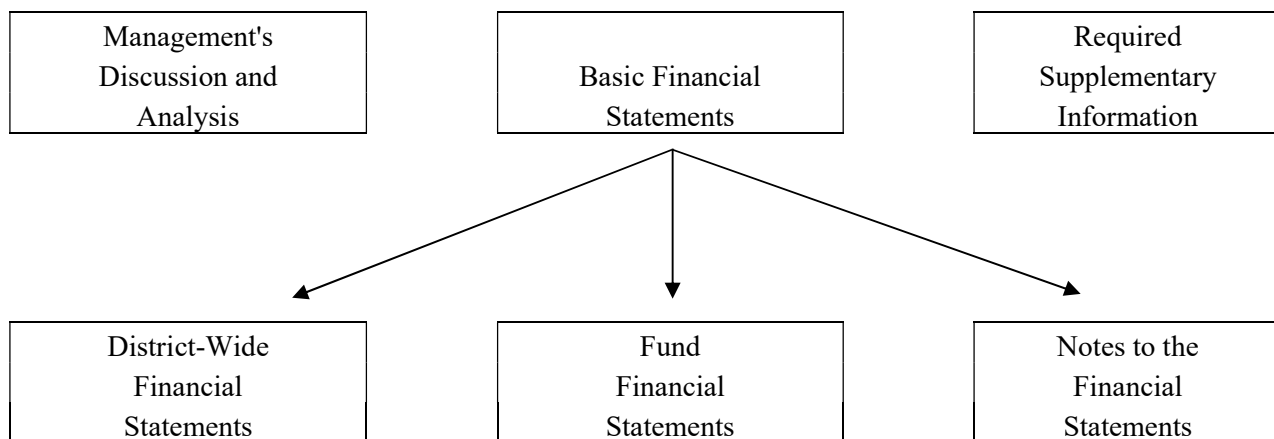


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District utilizes an internal service fund for transportation.

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

Financial Analysis of the District as a Whole

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

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	Change
Assets:							
Current and							
Other Assets	\$ 32,386,479	\$ 26,291,337	\$ 319,935	\$ 257,126	\$ 32,706,414	\$ 26,548,463	
Capital Assets, Net	41,724,931	47,955,357	33,811	38,743	41,758,742	47,994,100	
Total Assets	74,111,410	74,246,694	353,746	295,869	74,465,156	74,542,563	0.10%
Deferred Outflows of Resources	906,221	861,334			906,221	861,334	-4.95%
Liabilities:							
Long-Term Liabilities	39,430,867	39,155,625			39,430,867	39,155,625	
Other Liabilities	1,786,700	1,535,197	65,865	25,579	1,852,565	1,560,776	
Total Liabilities	41,217,567	40,690,822	65,865	25,579	41,283,432	40,716,401	-1.37%
Deferred Inflows of Resources	1,244,754	1,216,986			1,244,754	1,216,986	-2.23%
Net Position:							
Net Investment in							
Capital Assets	37,919,182	36,912,708	33,811	38,743	37,952,993	36,951,451	
Restricted	4,611,019	5,159,442			4,611,019	5,159,442	
Unrestricted/(Deficit)	(9,974,891)	(8,871,930)	254,070	231,547	(9,720,821)	(8,640,383)	
Total Net Position /(Deficit)	\$ 32,555,310	\$ 33,200,220	\$ 287,881	\$ 270,290	\$ 32,843,191	\$ 33,470,510	1.91%

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

Changes in Net Position. The District's *combined* net position was \$33,470,510 on June 30, 2025, \$627,319 or 1.91% more than it was the year before (See Figure A-3). The net position of the governmental activities increased \$644,910 and the net position of the business-type activities decreased \$17,591 (See Figure A-4).

Figure A-4**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,985,923	\$ 2,194,336	\$ 487,896	\$ 550,811	\$ 2,473,819	\$ 2,745,147	
Operating Grants and Contributions	16,174,255	14,353,248	175,424	166,748	16,349,679	14,519,996	
General Revenue:							
Property Taxes	39,622,117	40,436,397			39,622,117	40,436,397	
Not Restricted	8,316	519,909			8,316	519,909	
Other	1,895,555	1,539,468			1,895,555	1,539,468	
Total Revenue	59,686,166	59,043,358	663,320	717,559	60,349,486	59,760,917	-0.98%
Expenses:							
Instruction	32,635,905	32,538,379			32,635,905	32,538,379	
Pupil and Instruction Services	9,235,078	8,984,921			9,235,078	8,984,921	
Administrative and Business	3,968,672	4,154,652			3,968,672	4,154,652	
Maintenance and Operations	4,828,017	5,291,429			4,828,017	5,291,429	
Transportation	6,190,364	5,691,413			6,190,364	5,691,413	
Other	832,794	1,737,654	641,226	735,150	1,474,020	2,472,804	
Total Expenses	57,690,830	58,398,448	641,226	735,150	58,332,056	59,133,598	1.37%
Increase/(Decrease) in Net Position	1,995,336	644,910	22,094	(17,591)	2,017,430	627,319	-68.91%
Beginning Net Position	30,559,974	32,555,310	265,787	287,881	30,825,761	32,843,191	
Ending Net Position	\$ 32,555,310	\$ 33,200,220	\$ 287,881	\$ 270,290	\$ 32,843,191	\$ 33,470,510	1.91%

Governmental Activities

The financial position of the District improved. However, maintaining existing programs and the provision of a multitude of special programs and services for disabled students places great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented/continued during the year were:

- Use of federal funds for tuition and related service costs.
- Continued emphasis on safety initiatives resulted in significant dividends received from the District's workers' compensation insurance pool due to positive prior claim experience and past pool net position.
- Employee contributions to offset increasing health benefit premium costs.
- Energy and process reviews in the area of custodial operations to determine cost saving potential were enhanced.

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

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023/24	2024/25	2023/24	2024/25
Instruction	\$ 32,635,905	\$ 32,538,379	\$ 20,593,368	\$21,367,955
Pupil and Instruction Services	9,235,078	8,984,921	6,896,658	7,157,747
Administrative and Business	3,968,672	4,154,652	3,148,929	3,467,176
Maintenance and Operations	4,828,017	5,291,429	3,979,720	4,549,172
Transportation	6,190,364	5,691,413	4,079,183	3,571,160
Other	832,794	1,737,654	832,794	1,737,654
	<u>\$ 57,690,830</u>	<u>\$ 58,398,448</u>	<u>\$ 39,530,652</u>	<u>\$ 41,850,864</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$17,591. (Refer to Figure A-4). Factors contributing to this result were:

- Expenses exceeded revenues in the food service fund by \$17,591 mainly due to the District receiving less in from the local food for schools program grant.

Financial Analysis of the District's Funds

The District's financial position improved overall despite significant changes in the student clientele and continued challenges from economic conditions as well as state and federal mandates. Expenditures related to special needs children have increased due to additional students requiring related services and material needs and the intensity as to which those services and materials are required to serve the individualized needs of the students. The salaries of staff have been increased by prior year negotiated agreements. Fund balance in the General Fund increased primarily as a result of conservative budgeting principles utilized by the District.

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	
Land	\$ 1,024,701	\$ 1,024,701			\$ 1,024,701	\$ 1,024,701	
Construction in Progress	3,400,124	10,174,073			3,400,124	10,174,073	
Site Improvements, Buildings and Building Improvements, Furniture, Machinery and Equipment	37,300,106	36,756,583	\$ 33,811	\$ 38,743	37,333,917	36,795,326	
	<u>\$ 41,724,931</u>	<u>\$ 47,955,357</u>	<u>\$ 33,811</u>	<u>\$ 38,743</u>	<u>\$ 41,758,742</u>	<u>\$ 47,994,100</u>	14.93%

Long-term Liabilities

At year-end, the District had \$28,809,000 in general obligation bonds outstanding as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the Basic Financial Statements.)

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2023/24	2024/25	
Serial Bonds Payable	\$ 28,809,000	\$ 28,809,000	
Arbitrage Rebate Payable	568,469		
Financed Purchases Payable	405,626	868,576	
Net Pension Liability	8,401,947	7,425,850	
Compensated Absences Payable	1,814,294	1,483,730	
	<u>\$ 39,999,336</u>	<u>\$ 38,587,156</u>	-3.53%

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

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

- The continued impact of S1701 legislation, S1701, adopted by the State of New Jersey on June 17, 2004, places limits on the District's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to appropriate available fund balance as needed, and the ability to transfer available funds between appropriation accounts. Taking away the option of transferring available funds during the budget year has severely impacted our ability to maintain and improve our facilities. In addition, the limitation of unassigned fund balance to 2% of expenditures reduces the District's ability to respond to emergent conditions and limits the use of fund balance in future budgets.
- For the 25-26 budget, our district lost an additional 3% of state aid which our district was notified of after the initial presentation from the State. This reduction was a challenge to the planning of the 25-26 budget for our district as it was not anticipated.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 53 West Mill Road, Long Valley, New Jersey 07853.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 20,524,826	\$ 224,290	\$ 20,749,116
Receivables from Federal Government	2,020	6,540	8,560
Receivables from State Government	938,666	435	939,101
Receivables from Other Governments	1,256		1,256
Other Receivables	172,647		172,647
Inventory		25,861	25,861
Restricted Cash and Cash Equivalents	4,651,922		4,651,922
Capital Assets:			
Sites (Land) and Construction in Progress	11,198,774		11,198,774
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	36,756,583	38,743	36,795,326
Total Assets	<u>74,246,694</u>	<u>295,869</u>	<u>74,542,563</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	861,334		861,334
Total Deferred Outflows of Resources	<u>861,334</u>		<u>861,334</u>
LIABILITIES			
Accounts Payable	1,053,469		1,053,469
Accrued Interest Payable	376,343		376,343
Unearned Revenue	105,385	25,579	130,964
Noncurrent Liabilities:			
Due Within One Year	1,419,642		1,419,642
Due Beyond One Year	37,735,983		37,735,983
Total Liabilities	<u>40,690,822</u>	<u>25,579</u>	<u>40,716,401</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,216,986		1,216,986
Total Deferred Inflows of Resources	<u>1,216,986</u>		<u>1,216,986</u>
NET POSITION			
Net Investment in Capital Assets	36,912,708	38,743	36,951,451
Restricted for:			
Excess Surplus	500,000		500,000
Debt Service	7,520		7,520
Capital Projects	3,408,515		3,408,515
Emergency Reserve	200,400		200,400
Maintenance Reserve	200,200		200,200
Student Activities	34,209		34,209
Unemployment Compensation	808,598		808,598
Unrestricted/(Deficit)	<u>(8,871,930)</u>	<u>231,547</u>	<u>(8,640,383)</u>
Total Net Position/(Deficit)	<u>\$ 33,200,220</u>	<u>\$ 270,290</u>	<u>\$ 33,470,510</u>

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

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

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 21,350,042	\$ 554,467	\$ 5,615,728	\$ (15,179,847)		\$ (15,179,847)
Special Education	8,259,189		4,359,699	(3,899,490)		(3,899,490)
Other Special Instruction	2,527,627		496,648	(2,030,979)		(2,030,979)
School Sponsored/Other Instruction	401,521		143,882	(257,639)		(257,639)
Support Services:						
Tuition	258,411		234,845	(23,566)		(23,566)
Student & Instruction Related Services	8,726,510		1,592,329	(7,134,181)		(7,134,181)
General Administrative Services	881,343		88,434	(792,909)		(792,909)
School Administrative Services	2,264,897		441,778	(1,823,119)		(1,823,119)
Central Services	867,709		157,264	(710,445)		(710,445)
Administrative Information Technology	140,703			(140,703)		(140,703)
Plant Operations and Maintenance	5,291,429		742,257	(4,549,172)		(4,549,172)
Pupil Transportation	5,691,413	1,639,869	480,384	(3,571,160)		(3,571,160)
Interest on Long-Term Debt	1,737,654			(1,737,654)		(1,737,654)
Total Governmental Activities	58,398,448	2,194,336	14,353,248	(41,850,864)		(41,850,864)
Business-Type Activities:						
Food Service	735,150	550,811	166,748		\$ (17,591)	(17,591)
Total Business-Type Activities	735,150	550,811	166,748		(17,591)	(17,591)
Total Primary Government	\$ 59,133,598	\$ 2,745,147	\$ 14,519,996	(41,850,864)	(17,591)	(41,868,455)

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 39,444,675		\$ 39,444,675
Taxes Levied for Debt Service	991,722		991,722
Federal and State Aid Not Restricted	519,909		519,909
Miscellaneous Income	1,539,468		1,539,468
Total General Revenue	<u>42,495,774</u>		<u>42,495,774</u>
Change in Net Position	644,910	\$ (17,591)	627,319
Net Position - Beginning	<u>32,555,310</u>	<u>287,881</u>	<u>32,843,191</u>
Net Position - Ending	<u>\$ 33,200,220</u>	<u>\$ 270,290</u>	<u>\$ 33,470,510</u>

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

FUND FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 903,268		\$ 19,614,038	\$ 7,520	\$ 20,524,826
Receivables From Federal Government		\$ 2,020			2,020
Receivables From State Government	870,666	68,000			938,666
Receivables From Other Government		1,256			1,256
Interfund Receivable	1,308,792				1,308,792
Other Receivables	30,351				30,351
Restricted Cash and Cash Equivalents	4,617,713	34,209			4,651,922
Total Assets	\$ 7,730,790	\$ 105,485	\$ 19,614,038	\$ 7,520	\$ 27,457,833
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 437,709				\$ 437,709
Interfund Payable		\$ 21,966	\$ 410,642		432,608
Unearned Revenue	56,075	49,310			105,385
Total Liabilities	493,784	71,276	410,642		975,702
Fund Balances:					
Restricted for:					
Excess Surplus 2026-2027	500,000				500,000
Capital Reserve Account	3,408,515				3,408,515
Emergency Reserve Account	200,400				200,400
Maintenance Reserve Account	200,200				200,200
Student Activities		34,209			34,209
Unemployment Compensation	808,598				808,598
Capital Projects Fund			18,634,927		18,634,927
Debt Service				\$ 7,520	7,520
Assigned:					
Capital Projects Fund			568,469		568,469
Subsequent Year's Expenditures	1,050,000				1,050,000
Year-end Encumbrances	239,497				239,497
Unassigned/(Deficit)	829,796				829,796
Total Fund Balances/(Deficit)	7,237,006	34,209	19,203,396	7,520	26,482,131
Total Liabilities and Fund Balances	\$ 7,730,790	\$ 105,485	\$ 19,614,038	\$ 7,520	\$ 27,457,833

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Fund Balance of Governmental Funds	\$26,482,131
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	47,955,357
Internal service funds are used by management to charge the costs of transportation to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	(763,378)
Interest on Long-Term Debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(376,343)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(7,425,850)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows - Pensions	275,064
Deferred Inflows - Pensions	(1,216,986)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(31,161,306)</u>
Net Position of Governmental Activities	<u><u>\$33,768,689</u></u>

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

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

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 39,444,675			\$ 991,722	\$ 40,436,397
Tuition from Individuals	554,467				554,467
Miscellaneous	560,357	\$ 276,643	\$ 979,111		1,816,111
Total - Local Sources	40,559,499	276,643	979,111	991,722	42,806,975
State Sources	15,319,779	68,000		508,077	15,895,856
Federal Sources	11,832	819,325			831,157
Total Revenue	55,891,110	1,163,968	979,111	1,499,799	59,533,988
EXPENDITURES:					
Current:					
Regular Instruction	13,473,853	209,195			13,683,048
Special Education Instruction	4,897,161	405,951			5,303,112
Other Special Instruction	1,578,027				1,578,027
School Sponsored/Other Instruction	204,614	85,740			290,354
Support Services and Undistributed Costs:					
Tuition	23,566	234,845			258,411
Student & Instruction Related Services	5,180,151	217,330			5,397,481
General Administrative Services	681,151				681,151
School Administrative Services	1,420,212				1,420,212
Central Services	567,017				567,017
Administrative Information Technology	140,703				140,703
Plant Operations and Maintenance	4,080,380				4,080,380
Pupil Transportation	3,795,355				3,795,355
Unallocated Benefits	19,984,899				19,984,899

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Interest and Other Charges				\$ 1,499,799	\$ 1,499,799
Capital Outlay	\$ 204,735		\$ 6,773,950		6,978,685
Total Expenditures	56,231,824	\$ 1,153,061	6,773,950	1,499,799	65,658,634
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(340,714)	10,907	(5,794,839)		(6,124,646)
OTHER FINANCING SOURCES/(USES):					
Transfers	410,642		(410,642)		
Total Other Financing Sources/(Uses)	410,642		(410,642)		
Net Change in Fund Balances	69,928	10,907	(6,205,481)		(6,124,646)
Fund Balance/(Deficit)—July 1	7,167,078	23,302	25,408,877	7,520	32,606,777
Fund Balance—June 30	\$ 7,237,006	\$ 34,209	\$ 19,203,396	\$ 7,520	\$ 26,482,131

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total change in Fund Balances - Governmental Funds (from B-2) \$ (6,124,646)

Total change in Net Position - Internal Service Funds prior to depreciation expense (from B-5) 326,255

Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation and deletion of capital assets, net of accumulated depreciation in the period.

Capital Outlays	\$ 7,789,633
Depreciation	(1,555,283)
Deletion of Capital Assets, Net of Accumulated Depreciation	<u>(3,924)</u>
	6,230,426

In the Statement of Activities, the inclusion of internal service fund activity results in the elimination of financed purchases from the internal service fund.

(425,392)

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

330,564

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due.

In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

372,162

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

In the statement of activities, arbitrage rebate liability is accrued, regardless of when due. In the governmental funds, arbitrage rebate payable is reported when due.	\$ (568,469)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	976,097
Change in Deferred Outflows	(36,905)
Change in Deferred Inflows	27,768
Financed Purchases entered into by the District are an other financing source in the governmental funds, but the acquisition of financed purchases increases long-term liabilities in the statement of net position and is not reported in the statement of activities.	(873,612)
Repayment of serial bonds and financed purchases are an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	410,662
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 644,910</u>

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

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

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 224,290	
Accounts Receivable:		
State	435	
Federal	6,540	
Other Receivables		\$ 142,296
Inventories	25,861	
Total Current Assets	257,126	142,296
Non-Current Assets:		
Capital Assets	413,145	6,533,098
Less: Accumulated Depreciation	(374,402)	(3,793,935)
Total Non-Current Assets	38,743	2,739,163
Total Assets	295,869	2,881,459
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors		29,490
Interfund Payable - General Fund		876,184
Unearned Revenue	25,579	
Total Current Liabilities	25,579	905,674
Long Term Liabilities:		
Financed Purchases Payable:		
Due Within One Year		415,642
Due Beyond One Year		452,934
Total Long-Term Liabilities		868,576
Total Liabilities	25,579	1,774,250
<u>NET POSITION:</u>		
Net Investment in Capital Assets	38,743	1,870,587
Unrestricted/(Deficit)	231,547	(763,378)
Total Net Position	\$ 270,290	\$ 1,107,209

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Fund <u>Food Service</u>	Governmental Activities - Internal Service Fund <u></u>
Operating Revenue:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 376,888	
Daily Sales - Non-Reimbursable Programs	173,923	
Charges and Fees		\$ 5,155,445
	<u>550,811</u>	<u>5,155,445</u>
Total Operating Revenue		
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	92,344	
Cost of Sales - Reimbursable Programs	226,726	
Salaries, Benefits and Payroll Taxes	304,910	3,828,348
Professional and Technical Services	41,956	183,687
Maintenance		798,475
Supplies and Repairs	63,447	13,701
Depreciation Expense	5,767	187,840
	<u>735,150</u>	<u>5,012,051</u>
Total Operating Expenses		
Operating Income/(Loss)	<u>(184,339)</u>	<u>143,394</u>
Non-Operating Revenue/(Expense):		
Interest Expense on Financed Purchases		(4,979)
State Sources:		
State School Lunch Program	7,642	
New Jersey Income Eligibility Lunch Program	493	
Federal Sources:		
Local Food for Schools Funding	2,150	
P-EBT Administrative Cost	642	
Federal School Lunch Program	120,124	
Food Distribution Program	35,697	
	<u>166,748</u>	<u>(4,979)</u>
Total Non-Operating Revenue/(Expense)		
Change in Net Position	(17,591)	138,415
Net Position - Beginning of Year	287,881	968,794
Net Position - End of Year	<u>\$ 270,290</u>	<u>\$ 1,107,209</u>

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

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

	Business-type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 522,734	\$ 5,047,166
Payments to Food Service Vendor	(657,820)	
Payments to Suppliers	(63,447)	(4,616,795)
Net Cash Provided by / (Used for) Operating Activities	(198,533)	430,371
Cash Flows from Capital Financing Activities:		
Financed Purchase Agreement Proceeds		873,612
Capital Assets Purchases	(10,699)	(888,342)
Interest Expense on Financed Purchases		(4,979)
Financed Purchase Principal Payments		(410,662)
Net Cash (Used for) Capital Financing Activities	(10,699)	(430,371)
Cash Flows from Noncapital Financing Activities:		
Cash Received from Federal and State Sources	128,012	
Net Cash Provided by Noncapital Financing Activities	128,012	
Net Increase/(Decrease) in Cash and Cash Equivalents	(81,220)	-0-
Cash and Cash Equivalents, July 1	305,510	-0-
Cash and Cash Equivalents, June 30	\$ 224,290	\$ -0-
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss):	\$ (184,339)	\$ 143,394
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	5,767	187,840
Federal Food Distribution Program	35,697	
Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventory	(15,372)	
(Increase)/Decrease in Accounts Receivable		(108,279)
Increase/(Decrease) in Accounts Payable	(34,350)	16,670
Increase/(Decrease) in Unearned Revenue	(5,936)	
Increase/(Decrease) in Interfund Payable		190,746
Net Cash Provided by/(Used for) Operating Activities	\$ (198,533)	\$ 430,371

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$42,466 and used commodities valued at \$35,697 during the fiscal year.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

B. Basis of Presentation: (Cont'd)

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

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

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

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

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

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

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

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

Internal Service Funds: The District operates an internal service fund for transportation. The fund is utilized to account for operations that are financed and operated in a manner similar to a private business enterprise.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of state aid. The State is recording the last two state aid payments in the subsequent fiscal year for the General Fund, as detailed more fully in Note 1T.

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

(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,896,465	\$ 1,163,968
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis differs from GAAP in that Budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	360,688	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(366,043)</u>	
Total Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 55,891,110</u>	<u>\$ 1,163,968</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule		
Differences - Budgetary to GAAP:		
Budgetary Comparison Schedule	\$ 56,231,824	\$ 1,153,061
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 56,231,824</u>	<u>\$ 1,153,061</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery, Furniture and Equipment	10 to 15 years

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

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

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

L. Lease Assets

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

M. Subscription Assets

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

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2025.

P. Compensated Absences:

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

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

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

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

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

Q. Leases Payable

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

R. Subscription Payable

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

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

T. Fund Balance Appropriated:

General Fund: Of the \$7,237,006 General Fund fund balance at June 30, 2025, \$500,000 is restricted in the current year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2027; \$239,497 is assigned for encumbrances; \$200,400 is restricted in the emergency reserve account; \$3,408,515 is restricted in the capital reserve account; \$200,200 is restricted in the maintenance reserve account; \$808,598 is restricted for unemployment compensation; \$1,050,000 has been assigned and designated as anticipated revenue for the fiscal year ending June 30, 2026; and \$829,796 is unassigned, which is \$366,043 less than the calculated unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Special Revenue Fund fund balance at June 30, 2025 of \$34,209 is restricted for student activities.

Capital Projects Fund: Of the \$19,203,396 Capital Projects Fund fund balance at June 30, 2025, \$18,634,927 is restricted and \$568,469 is assigned for arbitrage.

Debt Service Fund: Debt Service Fund fund balance at June 30, 2025 of \$7,520 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2025 as detailed above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$366,043 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

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

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

T. Fund Balance Appropriated: (Cont'd)

recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit Net Position:

The District had a deficit in unrestricted net position in the internal service transportation fund. This was primarily the result of operating expenses exceeding operating revenues. The District is reviewing the transportation fund to ensure that further deficits do not occur in the future.

The District had a deficit in unrestricted net position of \$8,871,930 in governmental activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows, and compensated absences payable offset by the committed, assigned and unassigned governmental fund balances at June 30, 2025. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

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

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

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

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2025.

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

Y. Operating Revenue and Expenses:

Operating revenue are those revenue that are generated directly from the primary activity of the proprietary funds. For the School District, this revenue is sales for food service, and charges and fees for transportation. Operating expenses are necessary costs incurred to provide the service that is the primary activity of each proprietary fund.

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

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

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

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and

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

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

Investments: (Cont'd)

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

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

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 20,749,116</u>	<u>\$ 4,651,922</u>	<u>\$25,401,038</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of cash and cash equivalents at June 30, 2025 was \$25,401,038. The bank balance was \$26,417,190.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Washington Township Board of Education by inclusion of \$200,100 on June 30, 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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	\$ 3,408,015
Plus: Interest	<u>500</u>
Ending Balance, June 30, 2025	<u>\$ 3,408,515</u>

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 is equal to or greater than \$3,976,984. Withdrawals, if any, from the Capital Reserve Account are for use in the DOE approved facilities projects, consistent with the District's LRFP.

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

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Washington Township Board of Education for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 % of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)l.

The activity of the Emergency Reserve Account for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 200,300
Plus: Interest	<u>100</u>
Ending Balance, June 30, 2025	<u><u>\$ 200,400</u></u>

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$200,000 was established by Board resolution on June 20, 2023. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

Beginning Balance, July 1, 2024	\$ 200,100
Plus: Interest	<u>100</u>
Ending Balance, June 30, 2025	<u><u>\$ 200,200</u></u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025, the District transferred \$0 to capital outlay.

NOTE 8: CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,024,701			\$ 1,024,701
Construction in Progress	<u>3,400,124</u>	<u>\$ 6,773,949</u>		<u>10,174,073</u>
Total Capital Assets Not Being Depreciated	<u>1,088,874</u>	<u>6,773,949</u>		<u>11,198,774</u>
Capital Assets Being Depreciated:				
Site Improvements	1,719,020			1,719,020
Buildings and Building Improvements	61,779,424			61,779,424
Machinery and Equipment	<u>7,903,089</u>	<u>1,015,684</u>	<u>\$ (631,369)</u>	<u>8,287,404</u>
Total Capital Assets Being Depreciated	<u>71,403,231</u>	<u>1,015,684</u>	<u>(631,369)</u>	<u>71,785,848</u>
Governmental Activities Capital Assets	<u>72,492,105</u>	<u>7,789,633</u>	<u>(631,369)</u>	<u>82,984,622</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,719,020)			(1,719,020)
Buildings and Building Improvements	(24,061,397)			(24,061,397)
Machinery and Equipment	<u>(8,321,010)</u>	<u>(1,555,283)</u>	<u>627,445</u>	<u>(9,248,848)</u>
	<u>(32,779,828)</u>	<u>(1,555,283)</u>	<u>627,445</u>	<u>(35,029,265)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 41,724,931</u></u>	<u><u>\$ 6,234,350</u></u>	<u><u>\$ (3,924)</u></u>	<u><u>\$ 47,955,357</u></u>

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

NOTE 8. CAPTIAL ASSETS (Cont'd)

	<u>Ending Balance</u>	<u>Increases</u>	<u>Adjustments/ Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 410,446	\$ 10,699	\$ (8,000)	\$ 413,145
Less: Accumulated Depreciation	<u>(376,635)</u>	<u>(5,767)</u>	<u>8,000</u>	<u>(374,402)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,811</u>	<u>\$ 4,932</u>	<u>\$ -0-</u>	<u>\$ 38,743</u>

The District expended \$1,015,684 for improvements and equipment from the General Fund capital outlay accounts during the fiscal year. Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 120,534
Student and Instruction Related Services	730,983
Operations and Maintenance of Plant	108,870
General Administration	31,106
Transportation	<u>563,790</u>
	<u>\$ 1,555,283</u>

NOTE 9. LONG-TERM LIABILITIES

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

	<u>Balance 6/30/2024</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2025</u>
Serial Bonds Payable	\$ 28,809,000			\$ 28,809,000
Compensated Absences Payable	1,814,294		\$ 330,544	1,483,750
Net Pension Liability	8,401,947		976,097	7,425,850
Arbitrage Rebate Payable		\$ 568,469		568,469
Financed Purchases Payable	<u>405,626</u>	<u>873,612</u>	<u>410,662</u>	<u>868,576</u>
	<u>\$ 39,430,867</u>	<u>\$ 1,442,081</u>	<u>\$ 1,717,303</u>	<u>\$ 39,155,645</u>

A. Bonds Payable:

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

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

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds, Series 2023	08/15/2043	3%-4%	\$ 28,809,000

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

(Continued)

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

A. Bonds Payable: (Cont'd)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,004,000	\$ 988,522	\$ 1,992,522
2027	1,055,000	957,638	2,012,638
2028	1,110,000	925,162	2,035,162
2029	1,160,000	890,388	2,050,388
2030	1,200,000	853,512	2,053,512
2031-2035	6,850,000	3,656,938	10,506,938
2036-2040	8,510,000	2,411,875	10,921,875
2040-2044	<u>7,920,000.00</u>	<u>638,400</u>	<u>8,558,400</u>
	<u>\$ 28,809,000</u>	<u>\$ 11,322,435</u>	<u>\$ 40,131,435</u>

The District passed a bond referendum on March 14, 2023 authorizing debt in the amount of \$28,809,000 which was issued July 26, 2023.

B. Financed Purchases Payable:

As of June 30, 2025, the Board has financed purchase agreements for the acquisition of vehicles with a total asset value of \$2,155,935 of which \$1,287,359 has been liquidated. The finance purchase agreement terms are for five years for buses. The following is a schedule of the future minimum finance purchase payments under the finance purchase agreements, and the present value of the net minimum financed purchase payments at June 30, 2025.

<u>Year</u>	<u>Amount</u>
2026	\$ 342,985
2027	196,720
2028	196,720
2029	<u>196,720</u>
Total Minimum Financed Purchased Payments	933,145
Less: Amount representing interest	<u>(64,569)</u>
Present value of net minimum payments	<u>\$ 868,576</u>

The current portion of the finance purchase payable at June 30, 2025 is \$319,432 and the long-term portion is \$549,144. Financed purchases payable will be liquidated through the internal service fund for buses.

C. Arbitrage Rebate Liability

The District is subject to liability for arbitrage rebate to the federal government relative to its \$28,809,000 Bonds dated July 26, 2023. The long-term portion for the arbitrage rebate liability is estimated at \$568,469 as of June 30, 2025. This estimate is subject to change as the District continues to monitor and calculate arbitrage earnings over the allowable five-year computation period. Adjustments may be required based on actual investment performance and compliance with arbitrage rules. The arbitrage rebate liability will be liquidated through the Debt Service Fund.

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

(Continued)

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$1,483,750. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the Food Service Fund.

Compensated absences will be liquidated from the General Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long-term portion is \$7,425,850. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

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

District contributions to PERS amounted to \$542,843 for the current fiscal year. During the fiscal year ended June 30, 2025, the State of New Jersey contributed \$23,940 to the PERS for normal pension benefits on behalf of the District.

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation

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

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

At June 30, 2025, the District reported a liability of \$7,425,650 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 used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0549%, which was a decrease of 0.0034% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit in the amount of (\$223,549) related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense on behalf of the District in the amount of \$23,940 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ (53,963)
	2021	5.13	\$ 9,225	
	2022	5.04		(30,524)
			<u>9,225</u>	<u>(84,487)</u>
Changes in Proportion	2020	5.16		(22,576)
	2021	5.13		(81,840)
	2022	5.04	117,090	
	2023	5.08		(254,414)
	2024	5.08		(409,593)
			<u>117,090</u>	<u>(768,423)</u>
Net Difference Between Projected and Actual	2021	5.00		(509,723)
Investment Earnings on Pension Plan Investments	2022	5.00		808,596
	2023	5.00		(209,683)
	2024	5.00		(433,497)
				<u>(344,307)</u>
Difference Between Expected and	2020	5.16	3,006	
Actual Experience	2021	5.13		(7,336)
	2022	5.04		(12,433)
	2023	5.08	38,197	
	2024	5.08	107,546	
			<u>148,749</u>	<u>(19,769)</u>
District Contribution Subsequent to				
the Measurement Date	2024	1.00	<u>586,270</u>	
			<u>\$ 861,334</u>	<u>\$ (1,216,986)</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2025	\$ (315,275)
2026	243,950
2027	(140,350)
2028	(81,023)
2029	2,109
	<u>\$ (290,589)</u>

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2011.

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 9,866,863	\$ 7,425,650	\$ 5,348,191

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$7,091,177 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$303,102).

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$83,090,646. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.1681%, which was an decrease of 0.0014% from its proportion measured as of June 30, 2023.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>83,090,646</u>
Total	<u><u>\$ 83,090,646</u></u>

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

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$303,102 and the District recognized a pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements.

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

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

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

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

Actuarial Assumptions

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

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

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate – TPAF

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 98,764,996	\$ 83,090,646	\$ 69,889,881

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$67,505 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$252,282 for the year ended June 30, 2025.

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

NOTE 11. 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. The District has not experienced any insurance settlements that have exceeded coverage for any of the previous three fiscal years. The District maintains commercial coverage for property, liability, student accident, and surety bonds. The District has maintained consistent coverage in these areas from the prior year. A complete schedule of insurance coverage can be found in the statistical section of this annual comprehensive financial report. Health benefits are provided to employees through Horizon Blue Cross Blue Shield of New Jersey.

The Washington Township School District is a member of the Morris Essex Insurance Group (the "Group"). The Group provides worker's compensation coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report. The Group is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the entity are elected.

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

The 2025 financial information for the group was not available as of the release of this audit. Selected summarized financial information for the Group as of June 30, 2024 is as follows:

Total Assets	\$ 12,155,134
Net Position	\$ 7,171,024
Total Revenue	\$ 4,993,509
Total Expenses	\$ 4,260,396
Change in Net Position	\$ (173,894)
Member Dividends	\$ (907,007)

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

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675

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

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ -0-	\$ 23,503	\$ 52,915	\$ 39,602	\$ 808,598
2022-2023	-0-	-0-	50,852	44,680	771,782
2021-2022	-0-	-0-	49,156	30,502	765,610

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUNDS PAYABLES, RECEIVABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,308,792	
Special Revenue Fund		\$ 21,966
Capital Projects Fund		410,642
Internal Service Fund		876,184
	<u>\$ 1,308,792</u>	<u>\$ 1,308,792</u>

The interfund between the General Fund and the Special Revenue and Internal Service Funds was for cash advanced to cover the cash deficits which existed in those funds at year end. The interfund between the General and Capital Projects Funds was for interest earned in the Capital Projects Fund that was not turned over to the General Fund as of year end.

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

NOTE 14. DEFERRED COMPENSATION

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

VALIC
Equitable Financial Companies
Security Benefit

Fidelity Investments
Lincoln Investment Planning

NOTE 15. TAX CALENDAR

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

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

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

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

	General Fund	Capital Projects Funds	Total Governmental Funds
Vendors	\$ 239,497	\$ 12,174,619	\$ 12,414,116

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

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2025 were as follows:

	General Fund	District Contribution Subsequent to the Measurement Date	Internal Service Fund	Total Governmental Activities
Vendors	\$127,345		\$ 29,490	\$ 156,835
Payroll Deductions and Withholdings	310,364			310,364
State of New Jersey		\$ 586,270		586,270
	<u>\$437,709</u>	<u>\$ 586,270</u>	<u>\$ 29,490</u>	<u>\$ 1,053,469</u>

NOTE 18. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable as of June 30, 2025 were as follows:

	General Fund	Internal Service Fund	Total Governmental Activities
Other Receivables	\$ 30,351		\$ 30,351
Transportation Services		\$ 142,296	142,296
	<u>\$ 30,351</u>	<u>\$ 142,296</u>	<u>\$ 172,647</u>

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

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

Employees Covered by Benefit Terms

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

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

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

Actuarial Assumptions and Other Inputs

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

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

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

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

Mortality Rates

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

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 96,330,353
Changes for Year:	
Service Cost	3,159,252
Interest Cost	3,599,257
Differences between Expected and Actual Experience	726,956
Changes in Assumptions	8,180,184
Member Contributions	94,122
Gross Benefit Payments	<u>(2,748,811)</u>
Net Changes	<u>13,010,960</u>
Balance at June 30, 2024	<u><u>\$ 109,341,313</u></u>

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
Total OPEB Liability Attributable to the District	\$ 128,062,095	\$ 109,341,313	\$ 94,120,946

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

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

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 91,082,110	\$ 109,341,313	\$ 133,125,130

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

For the fiscal year ended June 30, 2025 the District recognized OPEB expense of \$1,323,489 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

	<u>Year of Deferral</u>	<u>Original Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ (2,096,908)
	2018	9.51		(2,559,983)
	2019	9.29	\$ 403,895	
	2020	9.24	10,418,699	
	2021	9.24	61,541	
	2022	9.13		(16,721,003)
	2023	9.30	151,853	
	2024	9.33	7,303,423	
			<u>18,339,411</u>	<u>(21,377,894)</u>
Differences Between	2018	9.51		(2,419,980)
Expected and Actual	2019	9.29		(4,753,865)
Experience	2020	9.24	9,710,636	
	2021	9.24		(11,834,892)
	2022	9.13	1,722,024	
	2023	9.30		(1,410,665)
	2024	9.33	260,107	
			<u>11,692,767</u>	<u>(20,419,402)</u>
Changes in Proportion	N/A	N/A	<u>145,495</u>	<u>(1,915,446)</u>
N/A - Not Available			<u>\$ 30,177,673</u>	<u>\$ (43,712,742)</u>

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (3,878,464)
2025	(3,252,115)
2026	(1,544,651)
2027	405,961
2028	(2,818,695)
Thereafter	<u>(677,154)</u>
	<u>\$ (11,765,118)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

WASHINGTON TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0712462883%	0.0717948283%	0.0722803232%	0.0690067284%	0.0639413513%	0.0607073692%	0.0590037936%	0.0605246578%	0.0580069725%	0.0546484025%
District's proportionate share of the net pension liability	\$ 15,993,364	\$ 21,263,569	\$ 16,825,704	\$ 10,790,165	\$ 11,521,261	\$ 9,899,784	\$ 6,989,884	\$ 9,134,004	\$ 8,401,947	\$ 7,425,650
District's covered employee payroll	\$ 4,881,865	\$ 4,735,500	\$ 4,653,741	\$ 4,841,226	\$ 4,513,560	\$ 4,438,576	\$ 4,335,841	\$ 4,441,367	\$ 4,295,351	\$ 4,423,257
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	327.61%	449.02%	361.55%	222.88%	255.26%	223.04%	161.21%	205.66%	195.61%	167.88%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 504,167	\$ 637,815	\$ 669,600	\$ 686,394	\$ 498,768	\$ 498,558	\$ 515,879	\$ 557,169	\$ 775,279	\$ 743,612
Contributions in relation to the contractually required contribution	(504,167)	(637,815)	(669,600)	(686,394)	(498,768)	(498,558)	(515,879)	(557,169)	(775,279)	(743,612)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$4,735,500	\$4,653,741	\$4,841,226	\$4,513,560	\$4,438,576	\$4,335,841	\$4,441,367	\$4,295,351	\$4,423,257	\$4,466,438
Contributions as a percentage of covered employee payroll	10.65%	13.71%	13.83%	15.21%	11.24%	11.50%	11.62%	12.97%	17.53%	16.65%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.177987580%	0.179466823%	0.173585978%	0.180402624%	0.180399504%	0.175813753%	0.174245103%	0.169280996%	0.169280996%	0.168114248%
State's proportionate share of the net pension liability attributable to the District	\$ 112,495,751	\$ 141,179,987	\$ 117,037,926	\$ 114,768,274	\$ 110,712,878	\$ 115,771,241	\$ 83,768,662	\$ 87,339,541	\$ 86,494,113	\$ 83,090,646
District's covered employee payroll	\$ 18,101,307	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715	\$ 19,688,207	\$ 20,373,464	\$ 20,756,337
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	621.48%	806.68%	645.12%	604.84%	599.85%	605.87%	435.03%	443.61%	424.54%	400.31%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 6,868,878	\$ 10,607,712	\$ 10,607,712	\$ 6,690,589	\$ 6,530,141	\$ 7,199,149	\$ 1,971,113	\$ 2,350,551	\$ 2,124,909	\$ (303,102)
Contributions in relation to the contractually required contribution	(1,436,881)	(1,884,230)	(2,656,694)	(3,548,023)	(3,925,388)	(5,065,094)	(6,968,716)	(6,928,760)	(7,163,909)	(7,091,177)
Contribution deficiency/(excess)	\$ 5,431,997	\$ 8,723,482	\$ 7,951,018	\$ 3,142,566	\$ 2,604,753	\$ 2,134,055	\$ (4,997,603)	\$ (4,578,209)	\$ (5,039,000)	\$ (7,394,279)
District's covered employee payroll	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715	\$ 19,688,207	\$ 20,373,464	\$ 20,756,337	\$ 21,236,135
Contributions as a percentage of covered employee payroll	8.21%	10.39%	14.00%	19.22%	20.54%	26.30%	35.40%	34.01%	34.51%	33.39%

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 3,823,165	\$ 3,186,988	\$ 2,725,133	\$ 2,835,315	\$ 4,949,377	\$ 4,121,536
Interest Cost	3,228,815	3,742,083	3,416,409	2,767,339	2,859,374	2,465,596
Change of Benefit Terms					(117,322)	
Differences between Expected and Actual Experience		(10,497,975)	(14,412,115)	21,042,494	(19,966,058)	3,546,580
Changes in Assumptions	(12,920,089)	(9,948,585)	1,152,161	22,754,840	108,746	(24,958,143)
Member Contributions	87,378	80,120	70,315	65,733	73,100	78,348
Gross Benefit Payments	(2,372,952)	(2,318,170)	(2,372,080)	(2,168,678)	(2,252,386)	(2,442,246)
Net Change in Total OPEB Liability	(8,153,683)	(15,755,539)	(9,420,177)	47,297,043	(14,345,169)	(17,188,329)
Total OPEB Liability - Beginning	110,603,351	102,449,668	86,694,129	77,273,952	124,570,995	110,225,826
Total OPEB Liability - Ending	\$ 102,449,668	\$ 86,694,129	\$ 77,273,952	\$ 124,570,995	\$ 110,225,826	\$ 93,037,497
District's Covered Employee Payroll*	\$ 22,795,688	\$ 23,816,185	\$ 22,970,360	\$ 23,546,765	\$ 23,591,556	\$ 24,129,574
Total OPEB Liability as a Percentage of Covered Employee Payroll	449%	364%	336%	529%	467%	386%
						390%
						434%

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources:					
Local Tax Levy	\$ 39,444,675		\$ 39,444,675	\$ 39,444,675	
Tuition from Individuals	475,000		475,000	554,467	\$ 79,467
Interest on Investments - Emergency Reserve	100		100	100	
Interest on Investments - Capital Reserve	500		500	500	
Interest on Investments - Maintenance Reserve	100		100	100	
Restricted Miscellaneous				36,816	36,816
Unrestricted Miscellaneous	203,734		203,734	522,841	319,107
Total - Local Sources	40,124,109		40,124,109	40,559,499	435,390
State Sources:					
Categorical Special Education Aid	1,649,037		1,649,037	1,649,037	
Categorical Transportation Aid	457,507		457,507	457,507	
Equalization Aid	1,459,575		1,459,575	1,459,575	
Categorical Security Aid	176,840		176,840	176,840	
Extraordinary Aid	500,000		500,000	764,154	264,154
NonPublic Transportation Aid				22,846	22,846
Menstrual Product Reimbursement				5,293	5,293
On-Behalf TPAF Pension Contributions (Non-Budgeted)				7,091,177	7,091,177
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				87,841	87,841
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				2,097,715	2,097,715
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,667	2,667
TPAF Social Security (Reimbursed - Non-Budgeted)				1,510,482	1,510,482
Total State Sources	4,242,959		4,242,959	15,325,134	11,082,175
Federal Sources:					
Medicaid Reimbursement	24,312		24,312	11,832	(12,480)
Total Federal Sources	24,312		24,312	11,832	(12,480)
TOTAL REVENUES	44,391,380		44,391,380	55,896,465	11,505,085

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Pre K - Salaries of Teachers	\$ 293,830	\$ 59,993	\$ 353,823	\$ 353,721	\$ 102
Kindergarten - Salaries of Teachers	1,002,420	45,952	1,048,372	1,048,372	
Grades 1-5 - Salaries of Teachers	6,614,863	(280,457)	6,334,406	6,334,406	
Grades 6-8 - Salaries of Teachers	4,591,105	3,744	4,594,849	4,594,849	
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	(1,710)	3,290	3,290	
Other Purchased Services	20,500	(14,640)	5,860	5,859	1
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	143,851	1,825	145,676	145,455	221
Other Purchased Services (400-500 series)	508,595	(20,451)	488,144	488,105	39
General Supplies	555,347	(40,293)	515,054	499,796	15,258
Total Regular Programs - Instruction	13,735,511	(246,037)	13,489,474	13,473,853	15,621
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	556,230	(72,060)	484,170	484,169	1
Other Salaries for Instruction	47,170	59,465	106,635	103,908	2,727
General Supplies	3,425		3,425	1,393	2,032
Total Learning and/or Language Disabilities	606,825	(12,595)	594,230	589,470	4,760
Learning and/or Language Disabilities Severe:					
Salaries of Teachers	156,640	3,425	160,065	160,065	
General Supplies	2,000	(1,173)	827	827	
Total Learning and/or Language Disabilities Severe	158,640	2,252	160,892	160,892	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Behavioral Disabilities:					
Salaries of Teachers	\$ 246,310	\$ 3,376	\$ 249,686	\$ 249,686	
Other Salaries for Instruction	76,610	(2,069)	74,541	73,887	\$ 654
General Supplies	650		650	646	4
Total Behavioral Disabilities	323,570	1,307	324,877	324,219	658
Resource Room/Resource Center:					
Salaries of Teachers	2,893,539	23,285	2,916,824	2,911,772	5,052
Other Salaries for Instruction	608,347	37,097	645,444	645,444	
General Supplies	8,091		8,091	3,638	4,453
Total Resource Room/Resource Center	3,509,977	60,382	3,570,359	3,560,854	9,505
Preschool Handicapped - Part-time:					
Salaries of Teachers	179,340	(9,032)	170,308	168,448	1,860
Other Salaries for Instruction	34,289	66,548	100,837	91,285	9,552
General Supplies	2,655	6	2,661	1,993	668
Total Preschool Handicapped - Part-time	216,284	57,522	273,806	261,726	12,080
Total Special Education Instruction	4,815,296	108,868	4,924,164	4,897,161	27,003
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,218,762	9,345	1,228,107	1,227,694	413
General Supplies	9,775		9,775	7,472	2,303
Total Basic Skills/Remedial - Instruction	1,228,537	9,345	1,237,882	1,235,166	2,716
Bilingual Education - Instruction:					
Salaries of Teachers	342,720		342,720	342,720	
General Supplies	75	75	150	141	9
Total Bilingual Education - Instruction	342,795	75	342,870	342,861	9

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 114,000	\$ 19,532	\$ 133,532	\$ 133,362	\$ 170
Purchased Services	2,660	228	2,888	2,888	
Supplies and Materials	2,470	(370)	2,100	2,100	
Total School-Sponsored Cocurricular Activities - Instruction	119,130	19,390	138,520	138,350	170
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	63,995	(7,961)	56,034	50,486	5,548
Other Purchased Services	11,223	(391)	10,832	6,477	4,355
Supplies and Materials	10,483		10,483	9,301	1,182
Total School-Sponsored Cocurricular Athletics - Instruction	85,701	(8,352)	77,349	66,264	11,085
Total Instruction	20,326,970	(116,711)	20,210,259	20,153,655	56,604
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special		14,443	14,443	14,443	
Tuition to Private Schools for the Handicapped - Within State	9,000	123	9,123	9,123	
Total Undistributed Expenditures - Instruction	9,000	14,566	23,566	23,566	
Attendance & Social Work Services:					
Salaries	4,776	(4,776)			
Total Attendance & Social Work Services	4,776	(4,776)			
Health Services:					
Salaries	505,688	9,983	515,671	515,671	
Purchased Professional and Technical Services	8,000	(1,710)	6,290	6,290	
Other Purchased Services	5,515	(4,685)	830	315	515
Supplies and Materials	17,209	(1,403)	15,806	15,354	452
Total Health Services	536,412	2,185	538,597	537,630	967

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Speech, OT, PT and Related Services:					
Salaries of Other Professional Staff	\$ 669,950	\$ (1,259)	\$ 668,691	\$ 666,155	\$ 2,536
Purchased Professional - Educational Services	458,758	(2,607)	456,151	432,181	23,970
Supplies and Materials	15,675		15,675	13,370	2,305
Total Speech, OT, PT and Related Services	1,144,383	(3,866)	1,140,517	1,111,706	28,811
Other Support Services - Students - Extraordinary Services:					
Salaries	786,486	(205,541)	580,945	580,945	
Purchased Professional - Educational Services	60,272	194,431	254,703	249,828	4,875
Supplies and Materials	5,155	2,700	7,855	7,658	197
Total Other Support Services - Students - Extraordinary Services	851,913	(8,410)	843,503	838,431	5,072
Guidance:					
Salaries of Other Professional Staff	503,616	(7,847)	495,769	495,313	456
Salaries of Secretarial and Clerical Assistants	60,134	439	60,573	60,573	
Supplies and Materials	2,597	(55)	2,542	1,056	1,486
Total Guidance	566,347	(7,463)	558,884	556,942	1,942
Child Study Team:					
Salaries of Other Professional Staff	1,149,470	(15,626)	1,133,844	1,133,844	
Salaries of Secretarial and Clerical Assistants	105,212		105,212	105,212	
Other Purchased Professional and Technical Services	21,000	(4,244)	16,756	16,556	200
Miscellaneous Purchased Services		1,156	1,156	1,156	
Supplies and Materials	12,706	(13)	12,693	12,467	226
Total Child Study Team	1,288,388	(18,727)	1,269,661	1,269,235	426

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 242,114	\$ (616)	\$ 241,498	\$ 241,476	\$ 22
Salaries of Other Professional Staff	33,994	10,828	44,822	34,546	10,276
Salaries of Secretarial and Clerical Assistants	59,295		59,295	59,295	
Total Improvement of Instructional Services	335,403	10,212	345,615	335,317	10,298
Educational Media Services/School Library:					
Salaries	403,177	355	403,532	403,532	
Other Purchased Services	28,853	(10,765)	18,088	18,087	1
Supplies and Materials	38,857	(3,874)	34,983	33,524	1,459
Total Educational Media Services/School Library	470,887	(14,284)	456,603	455,143	1,460
Instructional Staff Training Services:					
Other Purchased Services	132,777	(57,030)	75,747	75,747	
Total Instructional Staff Training Services	132,777	(57,030)	75,747	75,747	
Support Services - General Administration:					
Salaries	316,805	(37,175)	279,630	279,630	
Legal Services	40,000	34,631	74,631	74,631	
Audit Fees	43,650	6,850	50,500	50,500	
Other Purchased Professional Services	12,500	(4,930)	7,570	7,570	
Communications/Telephone	48,933	6,476	55,409	55,409	
Other Purchased Services	122,764	44,727	167,491	167,491	
General Supplies	5,000	680	5,680	5,680	
BOE Meeting Supplies	500		500	107	393
Judgement Against the District		20,000	20,000	20,000	
Miscellaneous Expenditures	8,155	(5,745)	2,410	2,409	1
Board of Education Membership Dues and Fees	18,966	(1,135)	17,831	17,724	107
Total Support Services - General Administration	617,273	64,379	681,652	681,151	501

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 964,148	\$ 8,904	\$ 973,052	\$ 972,314	\$ 738
Salaries of Secretarial and Clerical Assistants	424,684	(86)	424,598	424,598	
Other Purchased Services	2,349	(609)	1,740	1,740	
Supplies and Materials	4,248	7,534	11,782	11,350	432
Other Objects	9,564	646	10,210	10,210	
Total Support Services - School Administration	1,404,993	16,389	1,421,382	1,420,212	1,170
Central Services:					
Salaries	497,272		497,272	497,272	
Other Purchased Professional Services	49,888	12,398	62,286	60,355	1,931
Supplies and Materials	5,000	3,882	8,882	6,253	2,629
Miscellaneous Expenses	3,816		3,816	3,137	679
Total Central Services	555,976	16,280	572,256	567,017	5,239
Administrative Information Technology:					
Purchased Technical Services	60,792	3,779	64,571	64,571	
Other Purchased Professional Services	63,890	3,624	67,514	67,514	
Supplies and Materials	12,983	(4,365)	8,618	8,618	
Total Administrative Information Technology	137,665	3,038	140,703	140,703	
Required Maintenance of School Facilities:					
Salaries	149,884	(10,020)	139,864	139,864	
Cleaning, Repair and Maintenance Services	340,617	58,816	399,433	387,300	12,133
Lead Testing of Drinking Water		6,683	6,683	6,683	
General Supplies	124,749	(15,693)	109,056	90,068	18,988
Total Required Maintenance of School Facilities	615,250	39,786	655,036	623,915	31,121

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 1,689,290	\$ (30,241)	\$ 1,659,049	\$ 1,647,960	\$ 11,089
Purchased Professional and Technical Services	10,000		10,000	6,661	3,339
Cleaning, Repairs, and Maintenance Services	179,051	53,266	232,317	203,964	28,353
Other Purchased Services	270,000	2,245	272,245	271,944	301
Insurance	181,561	53,034	234,595	234,595	
General Supplies	190,000	27,135	217,135	188,210	28,925
Energy - Natural Gas	316,200		316,200	290,443	25,757
Energy - Electricity	334,560	72,023	406,583	406,583	
Total Custodial Services	3,170,662	177,462	3,348,124	3,250,360	97,764
Security					
Purchased Professional and Technical Services	194,183		194,183	194,183	
General Supplies	6,116	5,806	11,922	11,922	
Total Security	200,299	5,806	206,105	206,105	
Student Transportation Services:					
Contracted Services:					
Between Home and School - Joint Agreements	3,515,576		3,515,576	3,515,576	
Regular Education Students CTSA's and ESCs	20,000		20,000	10,954	9,046
Special Education Students CTSA's and ESCs	190,000	21,191	211,191	209,569	1,622
Aid in Lieu Payments - Nonpublic	53,590	8,731	62,321	59,256	3,065
Total Student Transportation Services	3,779,166	29,922	3,809,088	3,795,355	13,733

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 535,000	\$ (25,884)	\$ 509,116	\$ 509,116	
Other Retirement Contributions - PERS	594,252	(51,409)	542,843	542,843	
Other Retirement Contributions - Regular	60,000	7,505	67,505	67,505	
Workmen's Compensation	314,760		314,760	314,760	
Health Benefits	7,632,135	(100,993)	7,531,142	7,531,142	
Tuition Reimbursements	113,200	(13,936)	99,264	96,256	\$ 3,008
Other Employee Benefits	102,733	35,959	138,692	133,395	5,297
Total Unallocated Benefits	9,352,080	(148,758)	9,203,322	9,195,017	8,305
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				7,091,177	(7,091,177)
TPAF Non-Contributory Insurance (Non-Budgeted)				87,841	(87,841)
TPAF Post Retirement Medical Benefits (Non-Budgeted)				2,097,715	(2,097,715)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,667	(2,667)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,510,482	(1,510,482)
Total On-Behalf Contributions				10,789,882	(10,789,882)
Total Personal Services - Employee Benefits	9,352,080	(148,758)	9,203,322	19,984,899	(10,781,577)
Total Undistributed Expenses	25,173,650	116,711	25,290,361	35,873,434	(10,583,073)
TOTAL CURRENT EXPENSE	45,500,620		45,500,620	56,027,089	(10,526,469)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
CAPITAL OUTLAY					
Undistributed Equipment:					
Instructional	\$ 176,571		\$ 176,571	\$ 163,187	\$ 13,384
Total Equipment	<u>176,571</u>		<u>176,571</u>	<u>163,187</u>	<u>13,384</u>
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment on SDA Funding	41,548		41,548	41,548	
Total Facilities Acquisition and Construction Services	<u>41,548</u>		<u>41,548</u>	<u>41,548</u>	
TOTAL CAPITAL OUTLAY	<u>218,119</u>		<u>218,119</u>	<u>204,735</u>	<u>13,384</u>
TOTAL EXPENDITURES	<u>45,718,739</u>		<u>45,718,739</u>	<u>56,231,824</u>	<u>(10,513,085)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,327,359)</u>		<u>(1,327,359)</u>	<u>(335,359)</u>	<u>992,000</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund to General Fund - Interest				410,642	410,642
Total Other Financing Sources/(Uses)				<u>410,642</u>	<u>410,642</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(1,327,359)</u>		<u>(1,327,359)</u>	<u>75,283</u>	<u>1,402,642</u>
Fund Balance, July 1	<u>7,527,766</u>		<u>7,527,766</u>	<u>7,527,766</u>	
Fund Balance, June 30	<u>\$ 6,200,407</u>		<u>\$ 6,200,407</u>	<u>\$ 7,603,049</u>	<u>\$ 1,402,642</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Recapitulation:					
Restricted:					
Excess Surplus 2026-2027				\$ 500,000	
Capital Reserve				3,408,515	
Emergency Reserve				200,400	
Maintenance Reserve				200,200	
Unemployment Compensation				808,598	
Assigned:					
For Subsequent Year's Expenditures				1,050,000	
Year-End Encumbrances				239,497	
Unassigned				1,195,839	
				<u>7,603,049</u>	
Reconciliation to Governmental Fund Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				<u>(366,043)</u>	
Fund Balance per Governmental Funds GAAP				<u>\$ 7,237,006</u>	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,057,688	\$ (233,237)	\$ 824,451	\$ 819,325	\$ (5,126)
State Sources		68,000	68,000	68,000	
Local Sources		330,953	330,953	276,643	(54,310)
Total Revenues	1,057,688	165,716	1,223,404	1,163,968	(59,436)
EXPENDITURES:					
Instruction					
Salaries	433,760		433,760	433,760	
Other Purchased Services	251,163		251,163	251,163	
General Supplies	48,662	181,623	230,285	165,068	65,217
Total Instruction	733,585	181,623	915,208	849,991	65,217
Support Services					
Personal Service - Employee Benefits	34,050		34,050	34,050	
Salaries	17,821		17,821	12,695	5,126
Purchased Professional/Technical Services	29,499	500	29,999	29,999	
Other Purchased Services	500	(500)			
Supplies and Materials	8,996		8,996	8,996	
Student Activities	233,237	(15,907)	217,330	217,330	
Total Support Services	324,103	(15,907)	308,196	303,070	5,126
Total Expenditures	1,057,688	165,716	1,223,404	1,153,061	70,343
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 10,907	\$ 10,907

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

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule Differences - Budget to GAAP:	\$ 55,896,465	\$ 1,163,968
State Aid Payments Recognized for GAAP Statement, not Recognized for Budgetary Purposes	360,688	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(366,043)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 55,891,110</u>	<u>\$ 1,163,968</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,231,824	\$ 1,153,061
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 56,231,824</u>	<u>\$ 1,153,061</u>

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year.

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act			High Impact Tutoring	IDEA, PART B	
	Title I	Title II A	Title III		Preschool	Basic
REVENUE:						
Federal Sources	\$ 45,143	\$ 22,430	\$ 22,731	\$ 9,344	\$ 27,302	\$ 652,717
State Sources						
Local Sources						
Total Revenue	45,143	22,430	22,731	9,344	27,302	652,717
EXPENDITURES:						
Instruction:						
Salaries	23,104		7,520		15,312	379,820
Other Purchased Services						234,845
General Supplies	9,880	7,430	9,466	1,067	10,819	
Total Instruction	32,984	7,430	16,986	1,067	26,131	614,665
Support Services:						
Employee Benefits	2,159		239	588	1,171	29,056
Salaries			5,006	7,689		
Purchased Professional/Technical Services	10,000	15,000	500			8,996
Supplies and Materials						
Student Activities						
Total Support Services	12,159	15,000	5,745	8,277	1,171	38,052
Total Expenditures	\$ 45,143	\$ 22,430	\$ 22,731	\$ 9,344	\$ 27,302	\$ 652,717

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

Education Stabilization Fund: COVID-19 American		Rescue Plan		NJTSS		Local			
		Evidence Based, Summer Learning	Evidence Based, Beyond the School Day	Mental Health		Recreational Improvement Grant	Local Grants	Student Activity	Totals
REVENUE:	Federal Sources	\$ 6,612	\$ 15,605	\$ 7,441		\$ 68,000	\$ 48,406	\$ 228,237	\$ 819,325
	State Sources								68,000
	Local Sources								276,643
Total Revenue		6,612	15,605	7,441		68,000	48,406	228,237	1,163,968
EXPENDITURES:	Instruction:								
	Salaries	5,704	2,300						433,760
	Other Purchased Services	472	13,129	2,717			48,406		251,163
General Supplies						68,000			165,068
Total Instruction		6,176	15,429	2,717		68,000	48,406		849,991
Support Services:	Employee Benefits	436	176	225					34,050
	Salaries								12,695
	Purchased Professional/Technical Services			4,499					29,999
Supplies and Materials									8,996
Student Activities								217,330	217,330
Total Support Services		436	176	4,724				217,330	303,070
Total Expenditures		\$ 6,612	\$ 15,605	\$ 7,441		\$ 68,000	\$ 48,406	\$ 217,330	\$ 1,153,061

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:	
Interest on Investment	\$ 979,111
Total Revenue and Other Financing Sources	<u>979,111</u>
Expenditures:	
Purchased Professional and Technical Services	1,289,877
Construction Services	5,410,162
Other Objects	<u>73,911</u>
Total Expenditures	<u>6,773,950</u>
Other Financing Uses:	
Transfer to General Fund	<u>410,642</u>
Total Other Financing Uses	<u>410,642</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	(6,205,481)
Fund Balance/(Deficit) - Beginning of Year	<u>25,408,877</u>
Fund Balance/(Deficit) - End of Year	<u><u>\$ 19,203,396</u></u>
Recapitulation:	
Restricted - Encumbrances	\$ 12,174,619
Restricted	6,460,308
Assigned	<u>568,469</u>
Total Fund Balance/(Deficit)	<u><u>\$ 19,203,396</u></u>
Fund Balance/(Deficit) GAAP Basis	<u><u>\$ 19,203,396</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
REFERENDUM FOR VARIOUS SCHOOL IMPROVEMENTS - ALL SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$28,809,000		\$ 28,809,000	\$ 28,809,000
Total Revenue and Other Financing Sources	28,809,000		28,809,000	28,809,000
Expenditures:				
Purchased Professional and Technical Svcs	1,401,404	\$ 1,289,877	2,691,281	3,121,768
Construction Services	1,843,377	5,410,162	7,253,539	24,564,596
Other Objects	155,342	73,911	229,253	1,122,636
Total Expenditures	3,400,123	6,773,950	10,174,073	28,809,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$25,408,877</u>	<u>\$ (6,773,950)</u>	<u>\$ 18,634,927</u>	<u>\$ -0-</u>
Additional Project Information:				
Bonds Authorized Date		3/14/2023		
Bonds Authorized		\$ 28,809,000		
Bonds Issued		\$ 28,809,000		
Original Authorized Cost		\$ 28,809,000		
Percentage Change over Original Authorized Cost		0.00%		
Percentage Completion		35.32%		
Original Target Completion Date		9/1/2026		

PROPRIETARY FUNDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 224,290
Accounts Receivable:	
State	435
Federal	6,540
Inventories	<u>25,861</u>

Total Current Assets	<u>257,126</u>
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Non-Current Assets:

Capital Assets	413,145
Less: Accumulated Depreciation	<u>(374,402)</u>

Total Non-Current Assets	<u>38,743</u>
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Total Assets	<u>295,869</u>
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LIABILITIES:

Current Liabilities:

Unearned Revenue - Donated Commodities	6,769
Unearned Revenue - Prepaid Sales	<u>18,810</u>

Total Current Liabilities	<u>25,579</u>
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NET POSITION:

Investment in Capital Assets	38,743
Unrestricted	<u>231,547</u>

Total Net Position	<u><u>\$ 270,290</u></u>
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WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Operating Revenue:

Local Sources:

Daily Sales - Reimbursable Programs	\$ 376,888
Daily Sales - Non-Reimbursable Programs	173,923

Total Operating Revenue	550,811
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Operating Expenses:

Cost of Sales - Reimbursable Programs	226,726
Cost of Sales - Non-Reimbursable Programs	92,344
Salaries, Benefits & Payroll Taxes	304,910
Professional and Technical Services	41,956
Repairs and Supplies	63,447
Depreciation Expense	5,767

Total Operating Expenses	735,150
--------------------------	---------

Operating Loss	(184,339)
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Non-Operating Revenue:

State Sources:

State School Lunch Program	7,642
New Jersey Income Eligibility Lunch Program	493

Federal Sources:

Local Food for Schools Program	2,150
COVID19 - P-EBT Administrative Cost	642
Federal School Lunch Program	120,124
Food Distribution Program	35,697

Total Non-Operating Revenue	166,748
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Change in Net Position	(17,591)
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Net Position - Beginning of Year	287,881
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Net Position - End of Year	\$ 270,290
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WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 522,734
Payments to Food Service Vendor	(657,820)
Payments to Suppliers	<u>(63,447)</u>
Net Cash (Used for) Operating Activities	<u>(198,533)</u>
Cash Flows from Capital Financing Activities:	
Purchase of Capital Assets	<u>(10,699)</u>
Net Cash (Used for) Capital Financing Activities	<u>(10,699)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>128,012</u>
Net Cash Provided by Noncapital Financing Activities	<u>128,012</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(81,220)
Cash and Cash Equivalents, July 1	<u>305,510</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 224,290</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (184,339)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Federal Food Distribution Program	35,697
Depreciation	5,767
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(15,372)
(Increase)/Decrease in Accounts Payable	(34,350)
Increase/(Decrease) in Unearned Revenue	<u>(5,936)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (198,533)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$42,466 and used commodities valued at \$35,697 during the fiscal year.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Transportation</u>
<u>ASSETS:</u>	
Current Assets:	
Accounts Receivable:	
Intergovernmental - Other	\$ 142,296
Total Current Assets	<u>142,296</u>
Non-Current Assets:	
Capital Assets	6,533,098
Less: Accumulated Depreciation	<u>(3,793,935)</u>
Total Non-Current Assets	<u>2,739,163</u>
Total Assets	<u>2,881,459</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	29,490
Interfund Payable	<u>876,184</u>
Total Current Liabilities	<u>905,674</u>
Long-Term Liabilities:	
Financed Purchases Payable:	
Due Within One Year	415,642
Due Beyond One Year	<u>452,934</u>
Total Long-Term Liabilities	<u>868,576</u>
Total Liabilities	<u>1,774,250</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	1,870,587
Unrestricted/(Deficit)	<u>(763,378)</u>
Total Net Position	<u>\$ 1,107,209</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Transportation</u>
Operating Revenue:	
Local Sources:	
Charges and Fees	\$ 5,155,445
Total Operating Revenue	<u>5,155,445</u>
Operating Expenses:	
Salaries, Benefits and Payroll Taxes	3,828,348
Professional and Technical Services	183,687
Maintenance	798,475
Supplies and Materials	13,701
Depreciation	<u>187,840</u>
Total Operating Expenses	<u>5,012,051</u>
Operating Loss	<u>143,394</u>
Non-Operating Expense:	
Interest Expense on Financed Purchases	<u>(4,979)</u>
Total Non-Operating Expense	<u>(4,979)</u>
Change in Net Position	138,415
Net Position - Beginning of Year	<u>968,794</u>
Net Position - End of Year	<u>\$ 1,107,209</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Transportation</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 5,047,166
Payments to Suppliers	<u>(4,616,795)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>430,371</u>
Cash Flows from Capital and Related Financing Activities:	
Financed Purchase Agreement Proceeds	873,612
Purchases of Capital Assets	(888,342)
Interest Expense on Financed Purchases	(4,979)
Financed Purchases Principal Payments	<u>(410,662)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(430,371)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	-0-
Cash and Cash Equivalents, July 1	<u>-0-</u>
Cash and Cash Equivalents, June 30	<u><u>\$ -0-</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ 143,394
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	187,840
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(108,279)
Increase/(Decrease) in Accounts Payable	16,670
Increase/(Decrease) in Interfunds Payable	<u>190,746</u>
Net Cash Provided by/(Used for) Operating Activities	<u><u>\$ 430,371</u></u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Matured	Balance June 30, 2025
			Outstanding		Interest Rate	Balance June 30, 2024		
			Date	Amount				
School Bonds, Series 2023	7/26/2023	\$ 28,809,000	8/15/2025	\$ 1,004,000	3.000%	\$ 28,809,000		\$ 28,809,000
			8/15/2026	1,055,000	3.000%			
			8/15/2027	1,110,000	3.000%			
			8/15/2028	1,160,000	3.125%			
			8/15/2029	1,200,000	3.125%			
			8/15/2030	1,255,000	3.125%			
			8/15/2031	1,310,000	3.125%			
			8/15/2032	1,370,000	3.125%			
			8/15/2033	1,425,000	3.125%			
			8/15/2034	1,490,000	3.125%			
			8/15/2035	1,560,000	3.125%			
			8/15/2036	1,630,000	3.250%			
			8/15/2037	1,700,000	3.375%			
			8/15/2038	1,775,000	4.000%			
			8/15/2039	1,845,000	4.000%			
			8/15/2040	1,920,000	4.000%			
			8/15/2041	2,000,000	4.000%			
			8/15/2042	2,000,000	4.000%			
			8/15/2043	2,000,000	4.000%			
							\$ 28,809,000	\$ 28,809,000
							\$ -0-	\$ 28,809,000

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2024</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
<u>Internal Service Fund:</u>						
Buses	2.040%	\$ 563,900	\$ 116,989		\$ 116,989	
Buses	0.898%	718,423	288,637		143,673	\$ 144,964
Buses	3.690%	873,612		\$ 873,612	150,000	723,612
Total Internal Service Fund			<u>405,626</u>	<u>873,612</u>	<u>410,662</u>	<u>868,576</u>
Total Financed Purchases			<u>\$ 405,626</u>	<u>\$ 873,612</u>	<u>\$ 410,662</u>	<u>\$ 868,576</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 991,722		\$ 991,722	\$ 991,722	
State Sources:					
Debt Service Type II Aid	508,077		508,077	508,077	
Total Revenue	1,499,799		1,499,799	1,499,799	
EXPENDITURES:					
Regular Debt Service:					
Interest	1,499,799		1,499,799	1,499,799	
Total Regular Debt Service	1,499,799		1,499,799	1,499,799	
Total Expenditures	1,499,799		1,499,799	1,499,799	
Excess/(Deficit) of Revenues Over/(Under) Expenditures					
Fund Balance, July 1	7,520		7,520	7,520	
Fund Balance, June 30	\$ 7,520	\$ -0-	\$ 7,520	\$ 7,520	\$ -0-
<u>Recapitulation of Fund Balance</u>					
Restricted			\$ 7,520	\$ 7,520	\$ 7,520

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the School provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities					
Net Investment in Capital Assets	\$ 33,572,340	\$ 33,877,875	\$ 33,912,575	\$ 33,845,295	\$ 34,033,647
Restricted	1,240,224	1,440,224	1,773,927	2,761,872	4,308,829
Unrestricted/(Deficit)	(14,156,191)	(15,487,836)	(16,717,524)	(16,913,190)	(16,284,569)
Total Governmental Activities Net Position	<u>\$ 20,656,373</u>	<u>\$ 19,830,263</u>	<u>\$ 18,968,978</u>	<u>\$ 19,693,977</u>	<u>\$ 22,057,907</u>
Business-type Activities					
Investment in Capital Assets	\$ 80,434	\$ 60,642	\$ 46,014	\$ 31,390	\$ 25,065
Unrestricted/(Deficit)	(141,436)	(134,256)	(122,229)	(107,578)	(129,373)
Total Business-type Activities Net Position/(Deficit)	<u>\$ (61,002)</u>	<u>\$ (73,614)</u>	<u>\$ (76,215)</u>	<u>\$ (76,188)</u>	<u>\$ (104,308)</u>
District-wide					
Net Investment in Capital Assets	\$ 33,652,774	\$ 33,938,517	\$ 33,958,589	\$ 33,876,685	\$ 34,058,712
Restricted	1,240,224	1,440,224	1,773,927	2,761,872	4,308,829
Unrestricted/(Deficit)	(14,297,627)	(15,622,092)	(16,839,753)	(17,020,768)	(16,413,942)
Total District Net Position	<u>\$ 20,595,371</u>	<u>\$ 19,756,649</u>	<u>\$ 18,892,763</u>	<u>\$ 19,617,789</u>	<u>\$ 21,953,599</u>
	June 30,				
	2021	2022	2023	2024	2025
Governmental Activities					
Net Investment in Capital Assets	\$ 36,347,933	\$ 37,851,997	\$ 37,778,043	\$ 37,919,182	\$ 36,912,708
Restricted	4,328,230	1,995,249	2,512,293	4,611,019	5,159,442
Unrestricted/(Deficit)	(16,286,666)	(11,054,920)	(9,730,362)	(9,974,891)	(8,871,930)
Total Governmental Activities Net Position	<u>\$ 24,389,497</u>	<u>\$ 28,792,326</u>	<u>\$ 30,559,974</u>	<u>\$ 32,555,310</u>	<u>\$ 33,200,220</u>
Business-type Activities					
Investment in Capital Assets	\$ 14,568	\$ 13,624	\$ 32,723	\$ 33,811	\$ 38,743
Unrestricted/(Deficit)	(149,858)	179,311	233,064	254,070	231,547
Total Business-type Activities Net Position/(Deficit)	<u>\$ (135,290)</u>	<u>\$ 192,935</u>	<u>\$ 265,787</u>	<u>\$ 287,881</u>	<u>\$ 270,290</u>
District-wide					
Net Investment in Capital Assets	\$ 36,362,501	\$ 37,865,621	\$ 37,810,766	\$ 37,952,993	\$ 36,951,451
Restricted	4,328,230	1,995,249	2,512,293	4,611,019	5,159,442
Unrestricted/(Deficit)	(16,436,524)	(10,875,609)	(9,497,298)	(9,720,821)	(8,640,383)
Total District Net Position	<u>\$ 24,254,207</u>	<u>\$ 28,985,261</u>	<u>\$ 30,825,761</u>	<u>\$ 32,843,191</u>	<u>\$ 33,470,510</u>

Source: School District Financial Reports

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

UNAUDITED
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Fiscal Year Ending June 30,									
Expenses										
Governmental Activities										
Instruction:										
Regular	\$19,823,737	\$21,550,075	\$22,927,663	\$23,249,255	\$22,612,668	\$23,543,832	\$20,649,833	\$20,834,355	\$21,719,652	\$21,350,042
Special Education	8,659,630	10,093,387	9,903,395	9,760,735	9,928,216	10,077,903	9,190,276	8,670,047	8,335,516	8,259,189
Other Special Education	1,704,964	2,391,859	2,129,137	1,413,149	1,485,311	1,619,925	2,060,880	1,964,110	2,267,429	2,527,627
School Sponsored/Other Instruction	352,981	177,474	378,443	384,797	326,981	105,395	288,876	273,476	313,308	401,521
Support Services:										
Tuition	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766	729,007	334,814	258,411
Student & Instruction Related Services	8,678,706	9,544,258	10,008,483	10,756,611	10,818,860	10,477,895	9,988,359	8,826,341	8,900,264	8,726,510
General Administrative Services	899,002	877,703	932,218	981,500	988,038	1,065,670	837,715	791,044	859,122	881,343
School Administrative Services	1,814,291	1,965,221	2,101,492	2,253,681	2,295,832	2,374,815	2,165,697	2,105,270	2,161,838	2,264,897
Central Services	781,993	900,989	938,605	965,398	986,365	1,008,133	931,244	903,926	888,785	867,709
Technology Services	45,747	1,425	1,294	4,542	7,076	2,750	12,690	41,059	58,927	140,703
Plant Operations and Maintenance	4,419,113	4,826,969	4,801,893	5,396,298	5,093,739	5,667,590	5,057,269	5,063,531	4,828,017	5,291,429
Pupil Transportation	4,683,483	5,186,198	5,176,744	5,590,077	5,064,649	4,802,868	5,459,090	6,089,989	6,190,364	5,691,413
Interest on Long-term Debt	402,967	358,366	312,266	306,314	249,403	207,614	193,300	122,764	832,794	1,737,654
Transfer to Charter School	70,887	47,088	81,809	49,048	78,664	77,718	22,109			
Capital Outlay		258,683	41,549				278,849	33,656		
Total Governmental Activities Expenses	53,427,052	59,630,436	61,316,736	62,635,967	61,212,671	62,045,643	57,677,953	56,448,575	57,690,830	58,398,448
Business-type Activities:										
Food Service	578,631	550,979	514,122	507,449	417,582	458,161	710,255	628,178	641,226	735,150
Total Business-type Activities Expenses	578,631	550,979	514,122	507,449	417,582	458,161	710,255	628,178	641,226	735,150
Total District Expenses	54,005,683	60,181,415	61,830,858	63,143,416	61,630,253	62,503,804	58,388,208	57,076,753	58,332,056	59,133,598
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction			12,888	26,238	46,690			161,869	352,375	554,467
Pupil Transportation	1,303,236	1,420,193	1,502,366	1,638,633	1,438,688	1,104,441	1,403,913	1,661,056	1,633,548	1,639,869
Operating Grants and Contributions	19,075,209	23,188,978	24,574,950	24,839,254	24,420,173	25,894,743	21,241,477	17,246,061	16,174,255	14,353,248
Total Governmental Activities	20,378,445	24,609,171	26,090,204	26,504,125	25,905,551	26,999,184	22,645,390	19,068,986	18,160,178	16,547,584

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

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities:									
Charges for Services									
Food Service	\$ 453,066	\$ 443,317	\$ 421,502	\$ 421,623	\$ 314,601	\$ 17,036	\$ 12,735	\$ 450,156	\$ 487,896
Operating Grants and Contributions	104,924	95,050	90,019	85,853	74,861	410,143	1,025,745	250,874	175,424
Total Business-type Activities	557,990	538,367	511,521	507,476	389,462	427,179	1,038,480	701,030	663,320
Program Revenues	20,936,435	25,147,538	26,601,725	27,011,601	26,295,013	27,426,363	23,683,870	19,770,016	18,823,498
Total District Program Revenues									
Net (Expense)/Revenue:									
Governmental Activities	(33,048,607)	(35,021,265)	(35,226,532)	(36,131,842)	(35,307,120)	(35,046,459)	(35,032,563)	(37,379,589)	(39,530,652)
Business-type Activities	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225	72,852	22,094
Total District-wide Net Expense	(33,069,248)	(35,033,877)	(35,229,133)	(36,131,815)	(35,335,240)	(35,077,441)	(34,704,338)	(37,306,737)	(39,508,558)
General Revenues and Other									
Changes in Net Position:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	31,549,550	32,451,543	33,500,730	34,582,119	35,273,761	35,626,700	36,339,234	37,181,355	38,388,892
Taxes Levied for Debt Service	1,473,449	1,468,850	1,457,750	1,445,250	1,431,350	1,391,550	1,408,739	1,405,969	1,233,225
Unrestricted Grants and Contributions	112,689	92,876		507,398	1,584	109,681	1,443,423	22,113	8,316
Miscellaneous Income	222,048	181,885	234,027	521,701	262,306	250,118	243,996	537,800	1,895,555
Other Items				(199,628)	103,497				
Total Governmental Activities	33,357,736	34,195,154	35,192,507	36,856,840	37,072,498	37,378,049	39,435,392	39,147,237	41,525,988
Change in Net Position:									
Governmental Activities	309,129	(826,111)	(34,025)	724,998	1,765,378	2,331,590	4,402,829	1,767,648	1,995,336
Business-type Activities	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225	72,852	22,094
Total District	\$ 288,488	\$ (838,723)	\$ (36,626)	\$ 725,025	\$ 1,737,258	\$ 2,300,608	\$ 4,731,054	\$ 1,840,500	\$ 2,017,430
									\$ 627,319

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 1,140,311	\$ 1,340,311	\$ 1,674,014	\$ 2,761,872	\$ 4,272,928	\$ 4,300,342	\$ 1,971,381	\$ 2,490,635	\$ 4,580,197	\$ 5,117,713
Assigned	1,085,312	1,219,550	1,009,470	825,382	1,656,068	1,576,464	1,961,946	1,869,429	1,328,059	1,289,497
Unassigned	267,316	223,107	746,705	404,208	659,638	1,886,663	1,946,407	1,589,366	1,258,822	829,796
Total General Fund	<u>\$ 2,492,939</u>	<u>\$ 2,782,968</u>	<u>\$ 3,430,189</u>	<u>\$ 3,991,462</u>	<u>\$ 6,588,634</u>	<u>\$ 7,763,469</u>	<u>\$ 5,879,734</u>	<u>\$ 5,949,430</u>	<u>\$ 7,167,078</u>	<u>\$ 7,237,006</u>
All Other Governmental Funds:										
Restricted	\$ 99,913	\$ 99,913	\$ 99,913		\$ 35,901	\$ 27,888	\$ 23,868	\$ 21,658	\$ 25,439,699	\$ 18,676,656
Committed	185,217	278,093	278,093							
Assigned										568,469
Unassigned/(Deficit)				\$ (103,760)	(456,167)	(2,537,439)		(30,032)		
Total All Other Governmental Funds/(Deficit)	<u>\$ 285,130</u>	<u>\$ 378,006</u>	<u>\$ 378,006</u>	<u>\$ (103,760)</u>	<u>\$ (420,266)</u>	<u>\$ (2,509,551)</u>	<u>\$ 23,868</u>	<u>\$ (8,374)</u>	<u>\$ 25,439,699</u>	<u>\$ 19,245,125</u>
Total All Funds	<u>\$ 2,778,069</u>	<u>\$ 3,160,974</u>	<u>\$ 3,808,195</u>	<u>\$ 3,887,702</u>	<u>\$ 6,168,368</u>	<u>\$ 5,253,918</u>	<u>\$ 5,903,602</u>	<u>\$ 5,941,056</u>	<u>\$ 32,606,777</u>	<u>\$ 26,482,131</u>

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 33,022,999	\$ 33,920,393	\$ 34,958,480	\$ 36,027,369	\$ 36,705,111	\$ 37,018,250	\$ 37,747,973	\$ 38,587,324	\$ 39,622,117	\$ 40,436,397
Tuition								161,869	352,375	554,467
Miscellaneous	258,713	255,029	319,275	628,400	358,289	313,351	457,061	808,184	2,171,418	1,816,111
State Sources	13,080,202	13,607,303	14,560,511	15,620,748	14,558,172	15,587,470	17,988,792	15,753,956	15,315,394	15,895,856
Federal Sources	639,034	620,572	611,896	604,362	560,021	752,992	975,536	1,105,197	1,086,896	831,157
Total Revenue	47,000,948	48,403,297	50,450,162	52,880,879	52,181,593	53,672,063	57,169,362	56,416,530	58,548,200	59,533,988
Expenditures										
Instruction										
Regular Instruction	12,183,304	12,245,582	12,286,588	12,270,756	11,812,189	12,267,438	12,075,570	13,133,741	13,695,723	13,683,048
Special Education Instruction	5,165,139	5,317,895	5,069,499	4,934,553	5,025,387	4,982,671	5,234,508	5,257,921	5,121,424	5,303,112
Other Special Instruction	1,008,048	1,356,397	1,087,499	1,030,861	1,071,011	1,118,756	1,166,711	1,187,385	1,377,175	1,578,027
School Sponsored/Other Instruction	215,213		201,651	201,763	169,396	53,831	168,983	171,664	195,216	290,354
Support Services:										
Tuition	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766	729,007	334,814	258,411
Student & Instruction Related Services	5,373,378	5,131,120	5,196,903	5,582,307	5,577,724	5,337,207	5,792,483	5,307,826	5,311,289	5,397,481
General Administrative Services	653,781	553,740	583,189	615,164	626,849	651,251	568,563	561,215	622,484	681,151
School Administrative Services	1,328,797	1,242,488	1,212,677	1,191,732	1,189,948	1,201,460	1,277,514	1,326,647	1,365,999	1,420,212
Central Services	477,691	495,118	499,579	508,331	519,774	518,286	548,131	567,259	572,681	567,017
Administrative Information Technology	1,845	1,425	1,294	4,542	7,076	2,750	12,690	41,059	58,927	140,703
Plant Operations and Maintenance	3,180,603	3,235,608	3,178,635	3,688,161	3,370,833	3,817,736	3,657,361	3,811,118	3,866,961	4,080,380
Pupil Transportation	2,823,051	3,017,810	3,367,344	3,702,853	3,563,124	3,572,053	3,666,250	3,974,528	3,817,129	3,795,355
Unallocated Benefits	11,301,551	12,414,982	13,939,157	14,974,191	14,450,318	16,185,197	18,443,849	18,752,558	19,510,575	19,984,899
Transfer to Charter Schools	70,887	47,088	81,809	49,048	78,664	77,718	22,109			
Capital Outlay	957,989	434,043	57,622	50,410	440,476	2,395,074	2,139,198	150,448	3,607,857	6,978,685
Debt Service:										
Principal	1,095,000	1,135,000	1,170,000	1,205,000	1,240,000	1,250,000	5,494,000	1,350,000	1,215,000	
Interest and Other Charges	378,450	333,850	287,750	240,250	183,339	141,550	127,237	56,700	18,225	1,499,799
Total Expenditures	47,304,278	48,412,887	49,802,941	51,774,484	50,602,977	54,586,513	60,936,923	56,379,076	60,691,479	65,658,634
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(303,330)	(9,590)	647,221	1,106,395	1,578,616	(914,450)	(3,767,561)	37,454	(2,143,279)	(6,124,646)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
Bond Proceeds							\$ 4,174,000		\$ 28,809,000	
Transfers In				\$ 37,724					1,162,904	\$ 410,642
Transfers Out				(37,724)					(1,162,904)	(410,642)
Cancellation of SDA Grant Receivable				(199,628)			243,245			
Financed Purchases (Non-budgeted)							4,417,245			
Total Other Financing Sources (Uses)	\$ 486,191	\$ 392,495								
	486,191	392,495		(199,628)					28,809,000	
Net Change in Fund Balances	\$ 182,861	\$ 382,905	\$ 647,221	\$ 906,767	\$ 1,578,616	\$ (914,450)	\$ 649,684	\$ 37,454	\$ 26,665,721	\$ (6,124,646)
Debt Service as a Percentage of										
Noncapital Expenditures	3.3%	3.2%	3.0%	2.9%	2.9%	2.7%	10.6%	2.6%	2.2%	2.6%

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals- Use of</u> <u>Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 9,955	\$ 19,561	\$ 84,099	\$ 104,347	\$ 217,962
2017	19,163	17,650	87,277	57,795	181,885
2018	75,467	17,426	92,412	48,722	234,027
2019	167,593	18,690	205,807	155,849	547,939
2020	102,391	12,592	117,096	76,917	308,996
2021	5,813	15,890	190,465	37,950	250,118
2022	9,893	15,890	216,322	1,891	243,996
2023	283,280	17,000	167,022	70,498	537,800
2024	523,531	16,090	127,451	58,059	725,131
2025	381,061	15,990	99,575	63,731	560,357

Source: Washington Township School District records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	(County Equalized Value)
2015	\$ 29,795,600	\$ 2,472,018,300	\$ 114,769,000	\$ 4,412,000	\$ 115,548,400	\$ 32,800,100	\$ 35,358,200	\$ 2,804,701,600	\$ 254,218,200	\$ 935,217	\$ 2,805,636,817	1.16	\$ 2,843,585,328
2016	31,061,500	2,470,631,400	116,338,400	4,359,800	123,464,900	32,800,100	35,358,200	2,814,014,300	254,082,500	830,887	2,814,845,187	1.20	2,857,587,207
2017	29,395,800	2,478,120,100	116,160,600	4,353,600	122,738,600	32,238,700	35,054,600	2,818,062,000	254,082,300		2,818,062,000	1.22	2,896,024,012
2018	26,217,500	2,489,033,400	116,986,400	4,320,600	122,170,100	32,238,700	35,461,400	2,826,428,100	256,473,800		2,826,428,100	1.21	2,906,311,191
2019	25,652,900	2,485,591,200	117,377,100	4,350,900	118,219,200	30,938,700	35,461,400	2,817,591,400	259,513,500		2,817,591,400	1.28	2,890,035,246
2020	27,731,800	2,486,474,400	118,781,800	4,317,800	119,241,300	30,938,700	35,461,400	2,822,947,200	259,612,500		2,822,947,200	1.30	2,890,388,607
2021	24,270,700	2,486,001,600	119,325,300	4,505,300	118,254,600	30,938,700	35,461,400	2,818,757,600	259,612,500		2,818,757,600	1.32	2,891,663,641
2022	21,800,700	2,488,721,200	118,113,800	4,354,300	115,792,200	30,938,700	35,461,400	2,815,182,300	259,873,900		2,815,182,300	1.36	2,993,591,721
2023	21,862,100	2,494,137,900	116,728,200	4,633,000	115,644,600	30,938,700	35,461,400	2,819,405,900	261,800,500		2,819,405,900	1.39	3,256,819,999
2024	21,290,500	2,493,154,600	122,780,300	4,814,800	115,098,100	30,938,700	41,461,400	2,829,538,400	263,360,700		2,829,538,400	1.39	3,503,266,069

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

Year Ended Dec. 31,	Washington Township School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General	Total Direct	Regional			
		Obligation Debt ^b		Washington Township	School District	Morris County	
2015	\$ 1.11	\$ 0.05	\$ 1.16	\$ 0.44	\$ 0.52	\$ 0.25	\$ 2.37
2016	1.14	0.06	1.20	0.44	0.53	0.25	2.42
2017	1.17	0.05	1.22	0.45	0.56	0.27	2.50
2018	1.17	0.05	1.21	0.46	0.57	0.27	2.51
2019	1.23	0.05	1.28	0.47	0.59	0.27	2.61
2020	1.23	0.05	1.30	0.47	0.60	0.27	2.64
2021	1.27	0.05	1.32	0.48	0.61	0.27	2.68
2022	1.31	0.05	1.36	0.49	0.64	0.27	2.76
2023	1.34	0.04	1.39	0.50	0.65	0.29	2.84
2024	1.34	0.04	1.39	0.52	0.65	0.31	2.86

Source: Municipal Tax Collector and School Business Administrator

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

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

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

	2025		Taxpayer	2016	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village	\$ 27,853,200	0.78%	Heath Village	\$ 21,761,200	0.77%
Hackettstown 57 MP RK6 LLC	11,694,100	0.48%	Target Corp	15,900,000	0.57%
Target Corp	11,500,000	0.41%	2085 Realty Partners	12,519,100	0.45%
Peachtree Village	10,250,000	0.36%	Peachtree Village	10,250,000	0.36%
Bay Ridge Motor Sales	7,940,000	0.28%	Bay Ridge Motor Sales	7,940,000	0.28%
GPT Hackettstown Owner LLC	6,841,200	0.24%	Transistor Devices	6,841,200	0.27%
Amerace ESNA Corp	6,178,400	0.22%	Amerace ESNA Corp	6,178,400	0.26%
Columbia Gas Trans.	5,872,300	0.21%	Black Oak Golf Club	6,036,500	0.22%
Long Valley Shopping Center	4,800,000	0.17%	Columbia Gas Trans.	5,872,300	0.21%
100 Mile Northeast LLC	4,570,800	0.16%	Long Valley Shopping Center	5,500,000	0.20%
Total	\$ 97,500,000	3.32%	Total	\$ 98,798,700	3.57%

Source: Municipal Tax Assessor

WASHINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 33,022,999	\$ 33,022,999	100.00%	-0-
2017	33,920,393	33,920,393	100.00%	-0-
2018	36,039,869	36,039,869	100.00%	-0-
2019	36,027,369	36,027,369	100.00%	-0-
2020	36,705,111	36,705,111	100.00%	-0-
2021	37,018,250	37,018,250	100.00%	-0-
2022	37,747,973	37,747,973	100.00%	-0-
2023	38,587,324	38,587,324	100.00%	-0-
2024	39,622,117	39,622,117	100.00%	-0-
2025	40,436,397	40,436,397	100.00%	-0-

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

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

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

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Bond Anticipation Notes	Financed Purchases			
2016	\$ 9,885,000		\$ 1,586,448	\$ 11,471,448	0.70%	\$ 618.04
2017	8,750,000		1,782,930	10,532,930	0.62%	568.67
2018	7,580,000		1,140,699	8,720,699	0.50%	471.11
2019	6,375,000		978,068	7,353,068	0.41%	400.62
2020	5,135,000	\$ 4,174,000 *	1,149,377	10,458,377	0.58%	576.54
2021	3,885,000	4,174,000	1,116,394	9,175,394	0.50%	508.64
2022	2,565,000		1,162,106	3,727,106	0.19%	205.17
2023	1,215,000		743,750	1,958,750	0.10%	107.83
2024	28,809,000		405,626	29,214,626	1.38%	1,604.14
2025	28,809,000		868,576	29,677,576	1.39%	1,616.07

Source: School District Financial Reports

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

* Bond anticipation notes were authorized as of June 30, 2020, but were not issued until July 21, 2020.

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property		Per Capita ^b
	General Obligation Bonds	Deductions	Bond Anticipation Notes	Net General Bonded Debt Outstanding		
2016	\$ 9,885,000			\$ 9,885,000	0.352%	\$ 532.57
2017	8,750,000			8,750,000	0.311%	472.41
2018	7,580,000			7,580,000	0.269%	409.49
2019	6,375,000			6,375,000	0.226%	347.34
2020	5,135,000		\$ 4,174,000 *	9,309,000	0.330%	513.18
2021	3,885,000		4,174,000	8,059,000	0.285%	446.75
2022	2,565,000			2,565,000	0.091%	141.20
2023	1,215,000			1,215,000	0.043%	66.89
2024	28,809,000			28,809,000	1.022%	1,581.87
2025	28,809,000			28,809,000	1.018%	1,568.78

Source: School District Financial Reports

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

* Bond anticipation notes were authorized as of June 30, 2020, but were not issued until July 21, 2020.

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

b Population data can be found in Exhibit J-14. This ratio is calculated using population and net valuation taxable for the prior calendar year.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Washington Township	\$ 11,524,100	100.00%	\$ 11,524,100
Morris County General Obligation Debt	422,752,707	2.60 %	10,976,067
West Morris Regional High School District	26,047,000	8.67%	<u>2,258,275</u>
Subtotal, overlapping debt			24,758,442
Washington Township School District Direct Debt			<u>28,809,000</u>
Total direct and overlapping debt			<u><u>\$ 53,567,442</u></u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Washington Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized valuation basis	
2024	\$ 3,789,898,741
2023	3,486,343,391
2022	3,247,787,610
	<u>\$10,524,029,742</u>
	<u>\$ 3,508,009,914</u>

Average equalized valuation of taxable property

Debt limit (3% of average equalization value)	\$ 105,240,297
Net bonded school debt*	28,809,000
Legal debt margin	<u>\$ 76,431,297</u>

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$84,981,113	\$84,527,266	\$85,247,001	\$86,232,907	\$86,753,846	\$86,687,098	\$86,672,237	\$87,657,146	\$97,273,959	\$ 105,240,297
Total net debt applicable to limit	10,980,000	9,885,000	8,750,000	7,580,000	6,375,000	9,309,000	8,059,000	2,565,000	28,809,000	28,809,000
Legal debt margin	<u>\$74,001,113</u>	<u>\$74,642,266</u>	<u>\$76,497,001</u>	<u>\$78,652,907</u>	<u>\$80,378,846</u>	<u>\$77,378,098</u>	<u>\$78,613,237</u>	<u>\$85,092,146</u>	<u>\$68,464,959</u>	<u>\$ 76,431,297</u>

Total net debt applicable to the limit as a percentage of debt limit	12.92%	11.69%	10.26%	8.79%	7.35%	10.74%	9.30%	2.93%	29.62%	27.37%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

<u>Year</u>	<u>Township Population ^a</u>	<u>Morris County Per Capita Personal Income ^b</u>	<u>Township Personal Income (a*b)</u>	<u>Township Unemployment Rate ^c</u>
2015	18,561	\$ 88,298	\$ 1,638,899,178	4.30%
2016	18,522	91,252	1,690,169,544	3.50%
2017	18,511	93,544	1,731,592,984	3.40%
2018	18,354	97,244	1,784,816,376	3.20%
2019	18,140	99,140	1,798,399,600	2.70%
2020	18,039	102,227	1,844,072,853	6.60%
2021	18,166	107,767	1,957,695,322	4.80%
2022	18,165	111,597	2,027,159,505	3.10%
2023	18,212	115,850	2,109,860,200	3.50%
2024	18,364	115,850 *	2,127,469,400 ***	3.70%
2025	18,364 **	115,850 *	2,127,469,400 ***	N/A

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

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

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

N/A - Information Unavailable

Source:

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

^b Personal Income by county from the Bureau of Economic Analysis

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

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

Employer	2024		Employer	2015	
	Employees	Percentage Total		Employees	Percentage Total
Atlantic Health System	10,552	4.02%	U.S Army Armament Research & Development	6,000	2.31%
Picatinny Arsenal	6,200	2.36%	Novartis Corporation	5,171	1.99%
Novartis	6,178	2.35%	Atlantic Health System	4,622	1.78%
Barclays	4,320	1.64%	Automatic Data Processing, Inc.	2,800	1.08%
ADP	2,600	0.99%	Bayer Healthcare, LLC	1,757	0.68%
Accenture	2,134	0.81%	County of Morris	1,626	0.63%
PricewaterhouseCoopers	1,911	0.73%	Wyndham Worldwide Corporation	1,561	0.60%
Bayer	1,730	0.66%	St Clare's Health Systems	1,504	0.58%
Cigna	1,629	0.62%	BASF Corporation	1,500	0.58%
Deloitte & Touche	1,627	0.62%	Accenture	1,360	0.52%
Total	38,881	14.80%	Total	27,901	10.75%
Total County Labor Force	262,719		Total County Labor Force	259,759	

Source: Morris County Treasurer's Office

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	144	142	141	137	133	132	131	135	143	143
Special education	127	128	125	117	120	119	119	116	80	99
Support Services:										
Student & instruction related services	56	57	56	56	52	51	51	47	85	59
School administrative services	19	19	18	18	17	17	16	16	14	14
General administrative services	5	5	5	5	5	4	4	4	2	3
Plant operations and maintenance	28	28	28	28	28	28	28	28	29	29
Pupil transportation	41	41	41	40	40	40	40	40	46	41
Business and other support services	6	6	5	5	5	5	5	5	6	8
Total	<u>426</u>	<u>426</u>	<u>419</u>	<u>407</u>	<u>400</u>	<u>396</u>	<u>394</u>	<u>391</u>	<u>404</u>	<u>396</u>

Source: District Personnel Records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2016	2,197	\$ 44,872,839	\$ 20,425	8.38%	240	1:13	1:12	2,204	2,108	-3.33%	95.64%
2017	2,078	46,509,994	22,382	9.58%	239	1:13	1:12	2,086	1,998	-5.35%	95.78%
2018	2,086	48,287,569	23,148	3.42%	236	1:13	1:12	2,067	1,973	-0.91%	95.45%
2019	2,022	50,278,824	24,866	7.42%	225	1:13	1:12	2,010	1,917	-2.76%	95.37%
2020	2,038	48,739,162	23,915	-3.82%	225	1:13	1:12	2,025	1,954	0.75%	96.49%
2021	1,955	50,799,889	25,985	8.65%	223	1:13	1:12	1,926	1,881	-4.89%	97.66%
2022	1,923	53,176,488	27,653	6.42%	223	1:13	1:12	1,907	1,810	-0.99%	94.91%
2023	1,974	54,821,928	27,772	0.43%	225	1:13	1:12	1,954	1,850	2.46%	94.68%
2024	2,006	55,850,397	27,842	0.25%	227	1:13	1:12	2,006	1,904	2.66%	94.92%
2025	2,009	57,180,150	28,462	2.23%	235	1:13	1:12	2,019	1,919	0.65%	95.05%

Sources: Washington Township School District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

<u>District Building</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Flocktown-Kossmann School (1969-1979)										
Square Feet	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	494	466	459	442	480	474	441	488	512	511
Old Farmers School (1969)										
Square Feet	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	329	329	328	307	309	310	319	319	326	348
Long Valley Middle School North and South (1949)										
Square Feet	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105
Capacity (students)	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Enrollment	868	797	775	752	727	720	717	673	688	625
Cucinella School (2006)										
Square Feet	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541
Capacity (students)	748	748	748	748	748	748	748	748	748	748
Enrollment	506	486	496	499	499	451	446	494	480	525
Administration Building (1954)										
Square Feet	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730

Number of Schools at June 30, 2025

Elementary = 3

Middle School = 1

High School = 0

Source: Washington Township School District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

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

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

School Facilities	Fiscal Year Ended, June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Board of Education	\$ 2,480	\$ 2,441	\$ 2,632	\$ 5,050	\$ 2,475	\$ 1,810	\$ 1,550	\$ 2,874	\$ 2,910	\$ 3,962
Flocktown-Kossmann School	166,131	109,254	119,925	158,161	109,851	175,687	60,399	154,952	78,907	148,422
Old Farmers School	79,350	90,549	69,913	113,131	45,291	63,566	150,189	73,733	79,004	95,859
Long Valley Middle School	264,970	280,306	291,753	270,768	211,413	214,695	207,986	207,608	218,585	213,342
Cucinella School	103,443	128,005	127,412	199,806	151,318	123,907	106,165	169,545	196,669	162,330
Total	<u>\$ 616,374</u>	<u>\$ 610,554</u>	<u>\$ 611,635</u>	<u>\$ 746,916</u>	<u>\$ 520,348</u>	<u>\$ 579,665</u>	<u>\$ 526,289</u>	<u>\$ 608,712</u>	<u>\$ 576,075</u>	<u>\$ 623,915</u>

Source: Washington Township School District records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

School Package Policy -	<u>Coverage</u>	<u>Deductible</u>
National Union Fire Insurance Company of Pittsburgh, PA		
Property - Blanket Building and Contents	\$ 156,777,827	\$ 5,000
Commercial General Liability	1,000,000	
Comprehensive Automotive Liability	1,000,000	
Comprehensive Crime Coverage, Employee Dishonesty	500,000	5,000
Comprehensive Crime Coverage, Forgery or Alteration	250,000	5,000
Comprehensive Crime, Computer Fraud	250,000	5,000
Computer and Scheduled Equipment - National Union Fire Insurance Company of Pittsburgh, PA		
EDP	Included in Blanket Limit	5,000
Blanket Tools & Equipment	250,000	500
Cameras, Musical Instruments	Included in Blanket Limit	500
Boiler and Machinery - National Union Fire Insurance Company of Pittsburgh, PA		
Property Damage	Included in Blanket Limit	5,000
Umbrella Liability		
Umbrella Policy - National Union Fire Insurance Company of Pittsburgh.	10,000,000	
Excess Liability - Hudson/Allied/Great American-\$30,000,000	30,000,000	
School Board Legal Liability - National Union Fire Insurance Company of Pittsburgh, PA		
Educator's Legal Liability	1,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bond		
Board Secretary	10,000	
Special Risks		
Flood/Earthquake - National Union Fire Insurance Company of Pittsburgh, PA		
Per Property Limit Flood	5,000,000	50,000
Per Property Limit Earthquake	5,000,000	100,000
Volunteers - Berkeley Life and Health Ins. Co.	5,000	
Environmental - Philadelphia Insurance	1,000,000	25,000
Workers Compensation and Employers' Liability		
Morris Essex Insurance Group	5,000,000	

Source: Washington Township School District Records.

SINGLE AUDIT SECTION



Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Washington Township School District
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

November 7, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Washington Township School District
County of Morris, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Washington Township School District (the District's) compliance with the types of compliance requirements identified as subject to audit 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 fiscal year ended June 30, 2025. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

November 7, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Balance at June 30, 2025		Memo	
				Budgetary Accounts Receivable	Budgetary Accounts Receivable			Budgetary Receivable	Cumulative Total Expenditures		
NJ Department of Education:											
General Fund:											
Categorical Special Education Aid	25-495-034-5120-089	7/1/24 - 6/30/25	\$ 1,649,037			\$ 1,487,769	\$ (1,649,037)	\$ (161,268)	\$ 1,649,037		
Categorical Special Education Aid	24-495-034-5120-089	7/1/23 - 6/30/24	1,591,751	\$ (155,772)		155,772			1,591,751		
Equalization Aid	25-495-034-5120-078	7/1/24 - 6/30/25	1,459,575			1,316,836	(1,459,575)	(142,739)	1,459,575		
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	1,459,575	(142,837)		142,837			1,459,575		
Categorical Security Aid	25-495-034-5120-084	7/1/24 - 6/30/25	176,840			159,546	(176,840)	(17,294)	176,840		
Categorical Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	176,840	(17,306)		17,306			176,840		
Categorical Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	457,507			412,765	(457,507)	(44,742)	457,507		
Categorical Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	457,507	(44,773)		44,773			457,507		
Non-Public Transportation Aid	25-495-034-5120-014	7/1/24 - 6/30/25	22,846				(22,846)	(22,846)	22,846		
Non-Public Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	20,930	(20,930)		20,930			20,930		
Menstrual Product Reimbursement	N/A	7/1/24 - 6/30/25	5,293				(5,293)	(5,293)	5,293		
Extraordinary Aid	25-495-034-5120-044	7/1/24 - 6/30/25	764,154				(764,154)	(764,154)	764,154		
Extraordinary Aid	24-495-034-5120-044	7/1/23 - 6/30/24	720,862	(720,862)		720,862			720,862		
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24 - 6/30/25	1,510,482			1,432,109	(1,510,482)	(78,373)	1,510,482		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	1,470,394	(75,717)		75,717			1,470,394		
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24 - 6/30/25	7,091,177			7,091,177	(7,091,177)		7,091,177		
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	87,841			87,841	(87,841)		87,841		
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	2,097,715			2,097,715	(2,097,715)		2,097,715		
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	2,667			2,667	(2,667)		2,667		
Total General Fund				(1,178,197)		15,266,622	(15,325,134)	(1,236,709)	21,222,993		
Total NJ Department of Education				(1,178,197)		15,266,622	(15,325,134)	(1,236,709)	21,222,993		
Debt Service Fund:											
Debt Service Aid Type II	25-100-034-5120-124	7/1/24 - 6/30/25	508,077			508,077	(508,077)		508,077		
Total Debt Service Aid						508,077	(508,077)		508,077		
Total NJ Department of Education				(1,178,197)		15,266,622	(15,833,211)	(1,236,709)	21,731,070		
New Jersey Department of Agriculture:											
Food Service Fund:											
State School Lunch Program (State Share)	25-100-010-3350-023	7/1/24 - 6/30/25	7,642			7,207	(7,642)	(435)	7,642		
State School Lunch Program (State Share)	24-100-010-3350-023	7/1/23 - 6/30/24	7,597	(314)		314			7,597		
NJEIE Lunch Program	25-100-010-3350-023	7/1/24 - 6/30/25	493			493	(493)		493		
Total NJ Department of Agriculture				(314)		8,014	(8,135)	(435)	15,732		

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Balance at June 30, 2025		Memo	
				Budgetary Accounts Receivable				GAAP Accounts Receivable		Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:											
NJ Dept of Community Affairs:											
Local Recreational Improvement Grant	2025-04960-0763	1/1/25-6/30/25	\$ 68,000				\$ (68,000)	\$ (68,000)	\$ (68,000)	\$ (68,000)	\$ 68,000
Total Special Revenue Fund							(68,000)	(68,000)	(68,000)	(68,000)	68,000
Total State Awards Subject to Single Audit Determination				\$ (1,178,511)		\$ 15,274,636	\$ (15,909,346)	\$ (939,101)	\$ (1,305,144)	\$ (1,305,144)	\$ 21,814,802
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24 - 6/30/25	7,091,177				7,091,177				
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	87,841				87,841				
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24 - 6/30/25	2,097,715				2,097,715				
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24 - 6/30/25	2,667				2,667				
Subtotal - On-Behalf TPAF Pension System Contributions							9,279,400				
Total State Awards Subject to Single Audit Major Program Determination							\$ (6,629,946)				

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of the Board of Education, Washington Township School District under programs of the state government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,355 for the General Fund and \$-0- for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	<u>State</u>
General Fund	\$ 15,319,779
Special Revenue Fund	68,000
Debt Service Fund	508,077
Food Service Fund	<u>10,285</u>
Total Awards	<u><u>\$ 15,906,141</u></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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025.

WASHINGTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

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

Federal Awards (Not Available)**State Awards**

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	_____	Yes	_____ X _____	No

Identification of major programs:

Program Name or Cluster	State Grant No.	<u>Grant Period</u>		Award Amount	Budgetary Expenditures
		Start	End		
Extraordinary Aid Contributions	25-495-034-5120-044	7/1/24	6/30/25	\$ 764,154	\$ 764,154
Contributions	25-495-034-5094-003	7/1/24	6/30/25	1,510,482	1,510,482
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		_____ X _____	Yes		No

Section II - Financial Statement Findings - N/A**Section III - State Financial Assistance Findings and Questioned Costs - N/A**

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

Status of Prior Year Findings:

There were no prior year recommendations.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF MORRIS
FEDERAL SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2025

WASHINGTON TOWNSHIP SCHOOL DISTRICT
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Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Washington Township School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 7, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 5, 2025
Mount Arlington, New Jersey

NISIVOCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Balance (Accounts Receivable)/ Unearned Revenue 6/30/2024	Cash Received	Budgetary Expenditures	Balance 6/30/2025		Amounts Paid to Subrecipients
								(Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Agriculture: COVID19 - P-EBT Administrative Cost Local Food for Schools Program Total Department of Agriculture	10.649 10.185	N/A N/A	7/1/24-6/30/25 7/1/24-6/30/25	\$ 642 2,150		\$ 642 2,150 2,792	\$ (642) (2,150) (2,792)			
Child Nutrition Cluster: Federal Food Distribution Program Federal Food Distribution Program National School Lunch Program National School Lunch Program Total Child Nutrition Cluster	10.555 10.555 10.555 10.555	N/A N/A N/A N/A	7/1/24-6/30/25 7/1/23-6/30/24 7/1/24-6/30/25 7/1/23-6/30/24	42,466 33,335 120,124 84,962		42,466 4,368 113,584 3,622 159,672	(35,697) (4,368) (120,124) (160,189)	\$ 6,769 \$ (6,540)		
Total U.S. Department of Agriculture					746	162,464	(162,981)	(6,540)	6,769	
Passed-through U.S. Department of Health and Human Services General Fund: Medical Assistance Program Total U.S. Department of Health and Human Services/Total Medicaid Cluster	93.778	N/A	7/1/24-6/30/25	11,832		11,832 11,832	(11,832) (11,832)			
Special Revenue Fund: U.S. Department of Education Passed-through State Department of Education: Elementary and Secondary Education Act: Title I Title IIA Title III Title III Title IV Total Elementary and Secondary Education Act	84.010A 84.367A 84.365 84.365 84.424A	ESEA552025 ESEA552025 ESEA552025 ESEA552024 ESEA552025	7/1/24-9/30/25 7/1/24-9/30/25 7/1/24-9/30/25 7/1/23-9/30/24 7/1/24-9/30/25	50,269 22,430 22,731 23,375 10,000		45,143 22,430 15,078 7,688 100,339	(45,143) (22,430) (15,078) (7,653) (100,304)			

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

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Balance (Accounts Receivable)/ Unearned Revenue 6/30/2024	Cash Received	Budgetary Expenditures	Balance 6/30/2025		Amounts Paid to Subrecipients
								(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education: Education Stabilization Fund: COVID19 - American Rescue Plan: Evidence Based Summer Learning and Enrichment Evidence Based Comprehensive Beyond the School Day NJTSS Mental Health Support Staffing COVID19 - ARP GEER: High Impact Tutoring Grant Total Education Stabilization Fund	84.425U 84.425U 84.425U 84.425V	S425D210027 S425D210027 S425D210027 24-AB01-H02	3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 10/11/23-8/31/2024	\$ 40,000 40,000 45,000 124,344	\$ (93,461) (93,461)	\$ 6,612 15,605 7,441 100,785	\$ (6,612) (15,605) (7,441) (9,344)	\$ (2,020)		
Special Education Cluster (IDEA): I.D.E.A. Part B, Preschool I.D.E.A. Part B, Basic I.D.E.A. Part B, Basic Total Special Education Cluster (IDEA)	84.173 84.027A 84.027A	PS-5520-25 FT-5520-25 FT-5520-24	7/1/24-9/30/25 7/1/24-9/30/25 7/1/23-9/30/24	27,302 652,717 550,932	(1,365) (1,365)	27,302 652,717 1,365	(27,302) (652,717)			
Total Special Revenue Fund					(94,861)	912,166	(819,325)	(2,020)		
Total Federal Awards					\$ (94,115)	\$ 1,086,462	\$ (994,138)	\$ (8,560)	\$ 6,769	\$ -0-
N/A - Not Applicable/Available										

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Board of Education, Washington Township School District under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedule of expenditures of federal awards are reported on the budgetary basis of accounting with the exception of programs noted under the food service fund, which are presented on the accrual basis of accounting. Under the budgetary basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related liability is incurred. Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,150 for the Special Revenue Fund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>Federal</u>
General Fund	\$ 11,832
Special Revenue Fund	819,325
Food Service Fund	<u>160,831</u>
Total Awards	<u>\$ 991,988</u>

NOTE 5. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

WASHINGTON TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

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

Federal Awards

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

Unmodified

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X _____ No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. Basic	84.027A	7/1/24	9/30/25	\$ 652,717	\$ 652,717
I.D.E.A. Preschool	84.173	7/1/24	9/30/25	27,302	27,302

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____ X _____ Yes _____ No

Section II - Financial Statement Findings - N/A

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

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

Status of Prior Year Findings:

There were no prior year recommendations.