

SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP

Washington Township School District
Board of Education
Washington, Warren County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Washington Township School District

Board of Education

Washington, New Jersey

For the Fiscal Year Ending June 30, 2025

Prepared by

Washington Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section



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Superintendent
District Central Office
Old Schoolhouse
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Washington, NJ 07882
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Honorable President and
Members of the Board of Education
Washington Township School District
Warren County
Washington, New Jersey 07882

Dear Board Members:

The annual comprehensive financial report of the Washington Township School District (District) for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial sections include the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U. S. Office of Management and Budget Uniform Guidance. "Audits of State and Local Government", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Washington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through sixth grade. These include regular, as well as special education for handicapped youngsters. The District completed the 2024-2025 fiscal year with an enrollment of 416 students, which is 25 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Resident Enrollment
6/30/2025

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
6/30/25	441	6.0% increase
6/30/24	416	7.7% increase
6/30/23	386	3.7% decrease
6/30/22	401	1.8% increase
6/30/21	394	6.0% decrease
6/30/20	419	.4% decrease
6/30/19	421	7.0% decrease
6/30/18	453	3.0% decrease
6/30/17	467	4.5% decrease
6/30/16	489	6.1% decrease
6/30/15	521	4.9% decrease

2. ECONOMIC CONDITION AND OUTLOOK: The district faces financial challenges from the municipality's PILOT program, which has seen approximately 225 residences sold for close to \$100 million since December 2019. Originally, PILOT programs in the Township were age-restricted, which affected state aid calculations but did not directly impact school costs. However, newer developments include non-age restricted homes and apartments that are contributing to increased school enrollment.

These PILOT properties, while exempt from traditional property taxes, have their assessed value and residents' aggregate income included in the state's calculation of the district's "local fair share" portion of the state aid formula. This inclusion increases the district's local fair share requirement and correspondingly reduces state aid funding.

Beyond the state aid reduction, the non-age restricted PILOT developments create additional financial burdens through increased costs for student enrollment, special education programs, transportation, and educational materials without providing corresponding funding support. With construction continuing on approved PILOT properties and the municipality designating additional parcels as "areas in need of improvement" for potential PILOT development, enrollment growth is expected to continue.

This projected expansion raises concerns about school building capacity as the district approaches its enrollment limit of 550 students while community housing development shows no signs of slowing.

3. MAJOR INITIATIVES: The Washington Township Board of Education remains committed to fostering an educational environment that prioritizes student academic growth, wellbeing, and safety. This comprehensive approach to education encompasses strategic investments across multiple domains, creating a framework that supports our mission to provide exceptional learning opportunities for all students.

Central to our educational technology strategy is the continued utilization of Rural Education Achievement Program (REAP) grant funding, which ensures that students have equitable access to appropriate educational technology throughout their academic journey. This fiscal year's technology initiatives include the strategic updating of iPads across within the district, providing students with current devices that support modern educational applications and digital learning platforms. Building upon this foundation, we have placed particular emphasis on supporting our

sixth-grade students' transition to Warren Hills Middle School through the implementation of individual Chromebooks and Google tools. This initiative not only familiarizes students with the technology platform they will encounter at the middle school level but also develops essential digital literacy skills that are fundamental to academic success in today's educational landscape.

While technology serves as a critical component of modern education, the physical learning environment remains equally important to student success. The district maintains its unwavering commitment to providing well-maintained, safe, and conducive learning environments through ongoing facilities improvements and comprehensive grounds maintenance. A significant milestone was achieved this year with the completion of the new playground installation at Brass Castle School, made possible through strategic utilization of funding from the New Jersey Recreation Grant program. This addition enhances outdoor recreational opportunities and supports student physical development and wellness, demonstrating how infrastructure improvements directly contribute to holistic student development.

Continuing this momentum in facilities enhancement, the district has successfully secured additional funding from the New Jersey Recreation Grant to install a new playground at Port Colden School during the upcoming fiscal year. This expansion of recreational facilities reflects our understanding that educational experiences extend well beyond the traditional classroom setting. Additionally, climate control systems throughout the district are undergoing upgrades to ensure optimal learning environments for both students and staff. These improvements address the critical need for consistent, comfortable temperatures that support concentration and learning while also contributing to energy efficiency and operational sustainability.

Perhaps most fundamental to our educational mission is the unwavering commitment to student and staff safety, which serves as the foundation upon which all other initiatives are built. The district continues to maintain full-time School Resource Officers at each building, providing professional law enforcement presence that enhances campus security while fostering positive relationships between students and law enforcement personnel. These dedicated professionals serve not only as security personnel but also as mentors and educational resources, contributing to student wellbeing and community safety. Their presence ensures rapid response capabilities while maintaining the welcoming, nurturing environment essential to effective learning.

The Washington Township Board of Education's fiscal year 2025 initiatives reflect a carefully orchestrated investment strategy that addresses the fundamental pillars of educational excellence through the integration of academic resources, physical infrastructure improvements, and comprehensive safety systems. Through strategic grant utilization, particularly REAP and New Jersey Recreation Grant funding, the district maximizes resource allocation while maintaining strict fiscal responsibility. These coordinated efforts ensure that our students receive a comprehensive educational experience supported by current technology, well-maintained facilities, and secure learning environments, positioning them for continued academic success and personal growth. The Board of Education remains committed to this holistic approach to education, recognizing that excellence emerges from the thoughtful integration of all elements that contribute to student achievement and wellbeing.

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

likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

3. 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 the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance on June 30, 2025.

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

5. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service revenues for the fiscal year ended June 30, 2025, and the amount and percentage of increases in relation to prior year revenues.

Revenues:

<u>Source</u>	<u>Amount</u>	<u>Percent of</u>	<u>Increase(Decrease)</u>	
		<u>Total</u>	<u>Amount</u>	<u>Percent</u>
Local	\$7,430,190	78.24%	\$ 132,869	1.82%
State	1,695,821	17.86%	(1,974,254)	-53.79%
Federal	370,362	3.90%	(29,641)	-7.41%
Total	\$9,496,373	100.00%	\$(1,871,026)	-16.46%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2025 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures:

<u>Classification</u>	<u>Amount</u>	<u>Percent of</u>	<u>Increase(Decrease)</u>	
		<u>Total</u>	<u>Amount</u>	<u>Percent</u>
Current Expense				
Instruction	\$3,315,750	33.92%	\$ 172,846	5.50%
Undistributed	5,329,666	54.52%	(1,690,702)	-24.08%
Total	8,645,416	88.44%	(1,517,856)	-14.93%
Capital Outlay	145,220	1.49%	(222,877)	-60.55%
Debt Service	-		-	
Special Revenue	984,915	10.07%	134,918	15.87%
Total	\$9,775,551	100.00%	\$(1,605,815)	-14.11%

8. DEBT ADMINISTRATION: On June 30, 2025, the District's had no outstanding debt issues.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLP, was appointed by the Washington Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

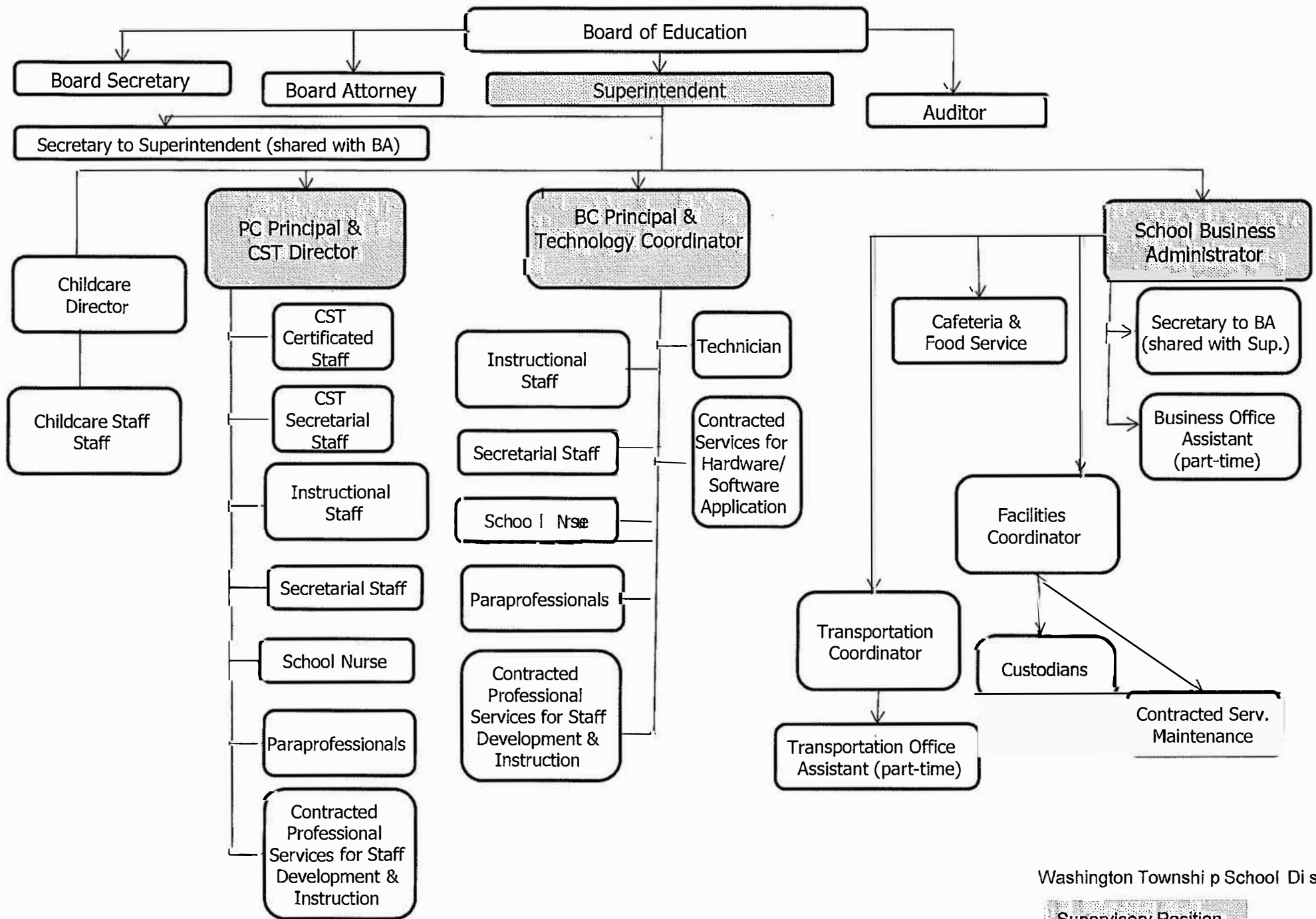
Respectfully submitted,

Signature: _____

Business Administrator

Signature: _____

Superintendent/CSA



**WASHINGTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Karen Graf, President	2025
Edward S. Kemp, Jr., Vice-President	2026
Robert Yench	2027
Patrick Rock	2027
Jasmine Francisco	2025
Nick Riess	2026
Jennifer Knittel	2027

Other Officials

Keith T. Neuhs, Superintendent

Jean Flynn, Board Secretary/School Business Administrator

Nathanya Simon, Attorney

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ARCHITECT

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Architects-Engineers-Planners
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AUDIT FIRM

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ATTORNEY

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OFFICIAL DEPOSITORY

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Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Washington Township School District
County of Warren
Washington, New Jersey 07882

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

-Continued-

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards*** , we have also issued our report dated October 30, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 30, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 30, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

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

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

Financial Highlights

Key financial highlights for 2025 are as follows:

- ◆ In total, Net Position decreased \$575,632 which represents a 14.6% decrease from 2024.
- ◆ General revenues accounted for \$7,301,935 in revenue or 72.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,717,211 or 27.1% of total revenues of \$10,019,146.
- ◆ Total assets of governmental activities decreased by \$900,644, as cash and cash equivalents decreased by \$19,582, receivables decreased by \$500,519, and capital assets decreased by \$380,340.
- ◆ The School District had \$10,594,778 in expenses; only \$2,717,211 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,301,935 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,576,038 in revenues and \$10,756,414 in expenditures. The General Fund's surplus balance decreased \$270,760 over 2024, which compares favorably to the budgeted decrease of \$507,178.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 23. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

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

Governmental Funds

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

The School District as a Whole

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

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

Table 1
Net Position

	<u>2025</u>	<u>2024</u>
Assets		
Current and Other Assets	\$ 1,753,258	\$ 2,273,562
Capital Assets	<u>3,023,940</u>	<u>3,404,280</u>
Total Assets	<u>4,777,198</u>	<u>5,677,842</u>
 Deferred Outflows of Resources	 <u>120,964</u>	 <u>144,949</u>
 Liabilities		
Long-Term Liabilities	65,775	46,095
Other Liabilities	<u>1,191,911</u>	<u>1,471,042</u>
Total Liabilities	<u>1,257,686</u>	<u>1,517,137</u>
 Deferred Inflows of Resources	 <u>267,167</u>	 <u>356,713</u>
 Net Position		
Invested in Capital Assets, Net of Debt	3,023,940	3,404,280
Restricted	1,036,831	1,388,768
Unrestricted	<u>(687,462)</u>	<u>(844,107)</u>
Total Net Position	<u>\$ 3,373,309</u>	<u>\$ 3,948,941</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
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Total assets of governmental activities decreased by \$900,644, as cash and cash equivalents decreased by \$19,582, receivables decreased by \$500,519, and capital assets decreased by \$380,340.

The receivable decrease was mainly due to reimbursement of federal COVID grants that were spent in the prior year. The decrease in capital assets was due depreciation expense, net of capital additions.

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

Table 2
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 226,089	\$ 212,217
Operating Grants and Contributions	2,491,122	2,796,685
General Revenues:		
Property Taxes	7,200,147	7,009,948
Investment Earnings	41,813	49,032
Other	<u>59,975</u>	<u>115,372</u>
Total Revenues	<u>10,019,146</u>	<u>10,183,254</u>
Program Expenses		
Instruction	4,738,238	4,633,327
Support Services:		
Tuition	141,636	90,270
Pupils and Instructional Staff	2,158,890	2,118,772
General Administration, School Administration, Business	1,026,464	1,069,708
Operations and Maintenance of Facilities	1,253,754	1,029,168
Pupil Transportation	735,186	646,317
Business-Type Activities	249,010	184,295
Interest and Fiscal Charges	<u>291,600</u>	<u>283,442</u>
Total Expenses	<u>10,594,778</u>	<u>10,055,299</u>
 Increase in Net Position	 <u>\$ (575,632)</u>	 <u>\$ 127,955</u>

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 71.9% percent of revenues for governmental activities for the Washington Township School District for the fiscal year 2025.

Instruction comprises 44.7% of district expenses. Support services expenses make up 50.2% of the expenses.

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

Table 3

	<u>Total Cost of Services 2025</u>	<u>Net Cost of Services 2025</u>	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>
Instruction	\$ 4,738,238	\$ 3,492,078	\$4,633,327	\$3,310,146
Support Services:				
Tuition	141,636	119,971	90,270	70,479
Pupils and Instructional Staff	2,158,890	1,362,511	2,118,772	1,240,614
General Admin., School Admin., Business	1,026,464	869,456	1,069,708	835,185
Operation and Maintenance of Facilities	1,253,754	1,061,980	1,029,168	803,533
Pupil Transportation	735,186	622,732	646,317	504,618
Business-Type Activities	249,010	57,239	184,295	(1,620)
Interest and Fiscal Charges	<u>291,600</u>	<u>291,600</u>	<u>283,442</u>	<u>283,442</u>
Total Expenses	<u>\$ 10,594,778</u>	<u>\$ 7,877,567</u>	<u>\$ 10,055,299</u>	<u>\$ 7,046,397</u>

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

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

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

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

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

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

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

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

The dependence upon tax revenues is apparent. Over 73.7% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 75.9%. The community, as a whole, is the primary support for the Washington Township School District.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$11,462,151 and expenditures of \$11,741,329. The General Fund's surplus balance decreased \$270,760 over 2024, which compares favorably to the budgeted decrease of \$507,178.

General Fund Budgeting Highlights

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,287,784, \$121,566 over original budgeted estimates of \$8,166,218. This difference was due primarily to increases in extraordinary aid, supplemental stabilization aid, and refunds of prior year's expenditures.

General fund revenues fell short of expenditures by \$276,248. Again this deficit compares to a budgeted deficit of \$507,178.

Overall general fund balance (budget basis) was \$1,572,973, and amounts ear-marked and reserved for future purposes were \$1,206,171, creating a surplus in unreserved fund balance of \$366,802. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

Capital Assets

At the end of the fiscal year 2025, the School District had \$3,016,483 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

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

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

	<u>2025</u>	<u>2024</u>
Land	\$ 23,000	\$ 23,000
Land Improvements	11,022	31,632
Buildings and Improvements	2,942,976	3,284,405
Machinery and Equipment	<u>39,485</u>	<u>51,311</u>
Totals	<u>\$ 3,016,483</u>	<u>\$ 3,390,348</u>

Overall governmental fund capital assets decreased \$373,865 from fiscal year 2024 to fiscal year 2025. The decrease in capital assets was due to depreciation expense, net of capital additions for the year.

Capital improvements of \$145,221 were purchased during fiscal year 2025 and included the preschool toilet room, playground equipment, and furniture.

Debt Administration

At June 30, 2025, the School District had \$65,775 as outstanding long term debt. Of this amount, \$65,775 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was \$29,270,359 and the unvoted debt margin was the same.

For the Future

The Washington Township School District is in very good financial condition presently. A major concern is heavy reliance on local property taxes to fund the school's operations.

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

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Jean Flynn, School Business Administrator/Board Secretary at Washington Township School District, 16 Castle Street, Washington, NJ 07882, or E-mail at flynnj@warrennet.org.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL BUSINESS-TYPE		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,436,936	\$ 46,694	\$ 1,483,630
Receivables, Net	260,386	3,969	264,355
Interfund Receivable		4	4
Inventory		5,269	5,269
Capital Assets, Net (Note 6):	3,016,483	7,457	3,023,940
Total Assets	4,713,805	63,393	4,777,198
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	120,964		120,964
LIABILITIES			
Accounts Payable	1,934	7,626	9,560
Payroll Deductions and Withholdings Payable	14,732		14,732
Unemployment Compensation Claims Payable	22,954		22,954
Interfund Payable	4		4
Unearned Revenue	182,055	1,401	183,456
Net Pension Liability (Note 8)	961,205		961,205
Noncurrent Liabilities (Note 7):			
Due Within One Year			
Due Beyond One Year	65,775		65,775
Total Liabilities	1,248,659	9,027	1,257,686
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	267,167		267,167
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,016,483	7,457	3,023,940
Restricted for:			
Capital Reserve	518,966		518,966
Maintenance Reserve	327,750		327,750
Other	190,115		190,115
Unrestricted	(734,371)	46,909	(687,462)
Total Net Position	\$ 3,318,943	\$ 54,366	\$ 3,373,309

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 3,404,477	\$ 107,448	\$ 934,700		\$ (2,362,329)		\$ (2,362,329)
Special Education	993,170		151,915		(841,255)		(841,255)
Other Special Instruction	340,591		52,097		(288,494)		(288,494)
Support Services:							
Tuition	141,636		21,665		(119,971)		(119,971)
Student & Instruction Related Services	2,158,890	20,807	775,572		(1,362,511)		(1,362,511)
School Administrative Services	332,330		50,833		(281,497)		(281,497)
General and Business Admin. Services	694,134		106,175		(587,959)		(587,959)
Plant Operations and Maintenance	1,253,754		191,774		(1,061,980)		(1,061,980)
Pupil Transportation	735,186		112,454		(622,732)		(622,732)
Unallocated Depreciation	291,600				(291,600)		(291,600)
Total Governmental Activities	10,345,768	128,255	2,397,185		(7,820,328)		(7,820,328)
Business-Type Activities:							
Food Service	249,010	97,834	93,937			\$ (57,239)	(57,239)
Total Business-Type Activities	249,010	97,834	93,937	-	-	(57,239)	(57,239)
Total Primary Government	\$ 10,594,778	\$ 226,089	\$ 2,491,122		\$ (7,820,328)	\$ (57,239)	\$ (7,877,567)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes,Net					\$ 7,200,147		\$ 7,200,147
Investment Earnings					41,813		41,813
Miscellaneous Income					59,975		59,975
Total General Revenues, Special Items, Extraor. Items & Transfers					7,301,935	-	7,301,935
Change in Net Position					(518,393)	\$ (57,239)	(575,632)
Net Position—Beginning					3,837,336	111,605	3,948,941
Prior Period Adjustments							
Net Position—Beginning (Restated)					3,837,336	111,605	3,948,941
Net Position—Ending					\$ 3,318,943	\$ 54,366	\$ 3,373,309

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

FUND FINANCIAL STATEMENTS

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 1,425,415	\$ 11,521	\$ 1,436,936
Interfund Receivable	49,940	90,384	140,324
Other Accounts Receivable	565		565
Receivables from Other Governments	153,164	106,657	259,821
TOTAL ASSETS	\$ 1,629,084	\$ 208,562	\$ 1,837,646
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable	\$ 90,388	\$ 49,940	\$ 140,328
Payable to State		1,934	1,934
Payroll Deductions and Withholdings Payable	14,732		14,732
Unemployment Compensation Claims Payable	22,954		22,954
Unearned Revenue	738	181,317	182,055
Total Liabilities	128,812	233,191	362,003
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	\$ 518,966		518,966
Maintenance Reserve	327,750		327,750
Unemployment Compensation	150,877		150,877
Student Activities		11,521	11,521
<u>Assigned to:</u>			
Year-End Encumbrances	180,861		180,861
Designated for Subsequent Year's Expenditures	27,717		27,717
<u>Unassigned:</u>			
General Fund - Undesignated	294,101		294,101
Special Revenue Fund		(36,150)	(36,150)
Total Fund Balances	1,500,272	(24,629)	1,475,643
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,629,084	\$ 208,562	\$ 1,837,646

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

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

The cost of the assets is \$11,045,292 and the accumulated depreciation is \$7,654,944.

\$ 3,016,483

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)

120,964

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)

(267,167)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)

(961,205)

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 (see Note 7).

(65,775)

Net Position of governmental activities

\$ 3,318,943

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 7,200,147		\$ 7,200,147
Transportation	107,448		107,448
Miscellaneous	95,784	\$ 26,811	122,595
Total - Local Sources	<u>7,403,379</u>	<u>26,811</u>	<u>7,430,190</u>
State Sources	3,194,131	467,468	3,661,599
Federal Sources	(21,472)	391,834	370,362
Total Revenues	<u>10,576,038</u>	<u>886,113</u>	<u>11,462,151</u>
EXPENDITURES			
Current:			
Regular Instruction	2,235,810	388,855	2,624,665
Special Education Instruction	804,165		804,165
Other Special Instruction	275,775		275,775
Support services and undistributed costs:			
Tuition	114,682		114,682
Student and Instruction Related Services	1,302,694	445,349	1,748,043
School Administrative Services	207,300		207,300
Other Administrative Services	562,037		562,037
Plant Operations and Maintenance	830,673		830,673
Pupil Transportation	595,277		595,277
Unallocated Benefits	3,682,781		3,682,781
Transfer to Charter School	-		-
Capital Outlay	<u>145,220</u>	<u>150,711</u>	<u>295,931</u>
Total Expenditures	<u>10,756,414</u>	<u>984,915</u>	<u>11,741,329</u>
Excess (Deficiency) of			
Revenues Over Expenditures	<u>(180,376)</u>	<u>(98,802)</u>	<u>(279,178)</u>
OTHER FINANCING SOURCES (USES)			
Transfers - Preschool Education	(90,384)	90,384	-
Total Other Financing Sources and Uses	<u>(90,384)</u>	<u>90,384</u>	<u>-</u>
Net Change in Fund Balances	(270,760)	(8,418)	(279,178)
Fund Balance—July 1	1,771,032	(16,211)	1,754,821
Prior Period Adjustment		-	-
Fund Balance—July 1 (Restated)	<u>1,771,032</u>	<u>(16,211)</u>	<u>1,754,821</u>
Fund Balance—June 30	<u>\$ 1,500,272</u>	<u>\$ (24,629)</u>	<u>\$ 1,475,643</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (279,178)**

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

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

Depreciation Expense	\$ (519,086)	
Capital Outlays	<u>145,221</u>	(373,865)

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

154,330

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

(19,680)

Change in Net Position of Governmental Activities

\$ (518,393)

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities- Enterprise Funds	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 46,694	\$ 46,694
Accounts Receivable	3,969	3,969
Interfund Accounts Receivable	4	4
Inventories	5,269	5,269
Total Current Assets	<u>55,936</u>	<u>55,936</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	126,199	126,199
Less Accumulated Depreciation	(118,742)	(118,742)
Total Noncurrent Assets	<u>7,457</u>	<u>7,457</u>
Total Assets	<u>63,393</u>	<u>63,393</u>
LIABILITIES		
Current liabilities:		
Accounts Payable	7,626	7,626
Deferred Revenue	1,401	1,401
Total Current Liabilities	<u>9,027</u>	<u>9,027</u>
Total Liabilities	<u>9,027</u>	<u>9,027</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	7,457	7,457
Unrestricted	46,909	46,909
Total Net Position	<u>\$ 54,366</u>	<u>\$ 54,366</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

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

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 73,464	\$ 73,464
Daily Sales - Non-Reimb. Programs	24,370	24,370
Miscellaneous	-	-
Total Operating Revenues	97,834	97,834
Operating Expenses:		
Cost of Sales - Reimbursable Programs	66,744	66,744
Cost of Sales - Non-reimbursable Programs	12,185	12,185
Salaries	61,305	61,305
Employee Benefits	19,926	19,926
Other Purchased Professional Services	11,639	11,639
Supplies	7,223	7,223
Miscellaneous	63,514	63,514
Depreciation	6,474	6,474
Total Operating Expenses	249,010	249,010
Operating Income (Loss)	(151,176)	(151,176)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	6,984	6,984
Federal Sources:		
National School Lunch Program	58,919	58,919
National School Breakfast Program	15,427	15,427
P-EBT Administrative Cost Reimbursement	643	643
Local Food for Schools Cooperative Agreement Program	1,559	1,559
Food Distribution Program	10,405	10,405
Total Nonoperating Revenues (Expenses)	93,937	93,937
Change in Net Position	(57,239)	(57,239)
Total Net Position—Beginning	111,605	111,605
Total Net Position—Ending	\$ 54,366	\$ 54,366

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities- Enterprise Funds	
	<u>Food Service</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 97,833	\$ 97,833
Payments to Employees	(61,305)	(61,305)
Payments for Employee Benefits	(19,926)	(19,926)
Payments to Suppliers	(149,555)	(149,555)
Net Cash Provided by (used for) Operating Activities	(132,953)	(132,953)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	6,984	6,984
Federal Sources	75,558	75,558
Operating Transfers to Other Funds	1,176	1,176
Net Cash Provided by (used for) Non-Capital Financing Activities	83,718	83,718
Net Increase (Decrease) in Cash and Cash Equivalents	(49,235)	(49,235)
Balances—Beginning of Year	95,929	95,929
Balances—End of Year	\$ 46,694	\$ 46,694
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (151,176)	\$ (151,176)
Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	6,474	6,474
Federal Commodities	10,405	10,405
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	203	203
Increase (Decrease) in Accounts Payable	1,141	1,141
Total Adjustments	18,223	18,223
Net Cash Provided by (used for) Operating Activities	\$ (132,953)	\$ (132,953)

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

Notes to Financial Statements

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity:

The Washington Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Washington Township School District had an approximate enrollment at June 30, 2025, of 435 students.

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Measurement Focus - Basis of Accounting

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Assets, Liabilities and Equity:**

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

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

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

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

Deferred Revenue:

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

Accrued Liabilities and Long-Term Obligations:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

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

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

	Cash and Cash Equivalents (A-1)
Checking Accounts	\$ 1,483,630
	<u>\$ 1,483,630</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$1,483,630 and the bank balance was \$1,696,416. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,446,416 was covered by collateral pool.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 3: RECEIVABLES

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

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 236,304	\$ 236,687
Federal Aid	23,517	27,103
Local - Shared Services	565	565
Gross Receivable	<u>\$ 260,386</u>	<u>\$ 264,355</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u><u>\$ 260,386</u></u>	<u><u>\$ 264,355</u></u>

NOTE 4: INVENTORY

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

Food	<u><u>\$ 5,269</u></u>
------	------------------------

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

NOTE 5: DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 23,000			\$ 23,000
Total Capital Assets Not Being Depreciated	23,000			23,000
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	462,038			462,038
Buildings and Building Improvements	8,621,679	\$ 73,854		8,695,533
Machinery and Equipment	1,938,575	71,367		2,009,942
Total at Historical Cost	11,045,292	145,221		11,190,513
Less Accumulated Depreciation for:				
Land Improvements	(430,406)	(20,610)		(451,016)
Building and Improvements	(5,337,274)	(415,283)		(5,752,557)
Equipment	(1,887,264)	(83,193)		(1,970,457)
Total Accumulated Depreciation	(7,654,944)	(519,086)		(8,174,030)
	3,390,348	(373,865)		3,016,483
Government Activity Capital Assets, Net	\$ 3,390,348	\$ (373,865)		\$ 3,016,483

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 131,924
School Administrative Services	61,786
Plant Operation and Maintenance	33,776
Unallocated	291,600
Total	<u>\$ 519,086</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 7: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

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

	Balance			Balance	Amounts
	<u>7/1/24</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/25</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 46,095	\$ 19,680		\$ 65,775	
Total	<u>\$ 46,095</u>	<u>\$ 19,680</u>	<u>-</u>	<u>\$ 65,775</u>	

Compensated absences and capital leases have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2025, it is not necessary for the Board to establish a liability for arbitrage rebate.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

As of June 30, 2025, there are no outstanding debt obligations.

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

NOTE 8: PENSION PLANS

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$17,777,415 as measured on June 30, 2024 and \$18,600,379 measured on June 30, 2023.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$64,849) and revenue of (\$64,849) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

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

	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$2,498,730,891	\$1,176,934,477
Collective deferred inflows of resources	\$14,719,080,314	\$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	\$51,032,669,551	\$49,425,106,602
State's portion of the net pension liability that was associated with the district	\$18,600,379	\$17,777,415
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.036448%	0.035968%

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 58,828,334,396	\$ 49,492,072,325	\$ 41,629,174,739

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2024 was \$30,316,295,787.

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

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

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

At June 30, 2025, the District reported a liability of \$585,175 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.00707% which was an decrease of 0.00018% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of (\$58,702). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,255	\$ 2,559
Changes of assumptions	1,194	10,936
Net difference between projected and actual earnings on pension plan investments	-	44,568
Changes in proportion and differences between District contributions and proportionate share of contributions	4,258	209,104
District contributions subsequent to the measurement date	96,257	
Total	<u>\$ 120,964</u>	<u>\$ 267,167</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

\$96,257 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
	2025	(263,073)
	2026	203,558
	2027	(117,111)
	2028	(67,594)
	2029	<u>1,760</u>
	Total	<u>(\$242,460)</u>
	<u>6/30/2024</u>	<u>6/30/2025</u>
Collective deferred outflows of resources	\$1,080,204,730	\$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	\$14,484,374,047	\$13,588,045,796
District's portion of net pension liability	\$1,049,974	\$961,205
District's proportion %	0.00724901%	0.00707390%

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US devel.markets equity	12.75%	8.85%
International Small Cap Equit	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	3.00%	7.10%

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>Discount Rate</u>	<u>(8.00%)</u>
		<u>(7.00%)</u>	
District's proportionate share of the net pension liability	\$ 1,277,205	\$961,205	\$ 692,291

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

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

Service cost	(\$11,487)
Interest on total Pension liability	(42,905)
Member contributions	9,407
Administrative expense	(332)
Other - Chapter 19 Adjustment	346
Expected investment return net of investment expenses	25,918
Pension expense related to specific liabilities of individual employers	331
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	(1,307)
Changes in assumptions	10,486
Difference between projected and actual investment earnings on pension plan investments	<u>4,365</u>
Total pension expense	<u>(\$5,179)</u>

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

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

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

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

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

<u>Three-Year Trend Information for PERS</u>			
Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2025	\$96,257	100 %	-0-
6/30/2024	\$96,885	100	-0-
6/30/2023	\$104,173	100	-0-

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 8: PENSION PLANS (Continued)

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2025	\$1,521,455	100 %	-0-
6/30/2024	\$1,551,030	100	-0-
6/30/2023	\$1,511,463	100	-0-

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute \$1,965,778 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$316,988 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total Nonemployer OPEB Liability:	\$	59,650,630,530		
			TPAF/ABP	PERS
Salary Increases			2.75% to 5.65%	2.75% to 6.55%
				PFRS
				3.25% to 16.25%
			Based on service years	

(a) Health Care Trend Assumptions

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

(b) Discount Rate

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2023	\$52,361,668,239
<u>Changes for the year:</u>	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	7,288,962,291
The State's Total OPEB Liability Balance at 6/30/2024	<u>\$59,650,630,530</u>
The State's total OPEB liability attributable to the District:	\$24,394,090

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

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

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

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of \$395,851 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Year ended June 30:	
2025	(\$2,115,877,507)
2026	(\$1,774,175,666)
2027	(\$842,677,045)
2028	\$221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
	<u>(\$6,418,404,389)</u>

NOTE 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning
LIP
Legend
Oppenheimer Shareholder

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

In the district-wide Statement of Assets, the liabilities whose average maturities are greater than one year should be reported in two components--the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the proprietary fund types.

NOTE 12: RISK MANAGEMENT

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 12: RISK MANAGEMENT - (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2024-2025	\$4,230	\$10,358	\$19,486	\$173,831
2023-2024	\$4,680	\$10,029	\$12,549	\$178,729
2022-2023	\$1,368	\$9,754	\$3,188	\$176,569

NOTE 13: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

The Board is not involved in claims and lawsuits incidental to its operations.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,500,272 General Fund fund balance at June 30, 2025, \$518,966 has been reserved in the Capital Reserve Account; \$327,750 has been reserved in the Maintenance Reserve Account; \$180,861 is reserved for encumbrances; \$27,717 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2026; \$150,877 is reserved for unemployment compensation; and \$294,101 is unreserved and undesignated.

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$0.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Washington Township School District Board of Education by inclusion of \$100,000 in the original 1998-99 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2024	\$ 500,064
Withdrawal	(111,452)
Interest Earned	1,000
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 9, 2025	129,354
Ending Balance, June 30, 2025	<u>\$ 518,966</u>

NOTE 17: MAINTENANCE RESERVE ACCOUNT

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

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

Beginning balance July 1, 2024	\$ 327,750
Withdrawal	(124,395)
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 9, 2025	124,395
Ending balance June 30, 2025	<u>\$ 327,750</u>

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 49,940	90,388
Enterprise Fund	4	
Special Revenue Fund	90,384	49,940
	<u>\$ 140,328</u>	<u>\$ 140,328</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES - (Continued)

The interfund receivable in the enterprise fund is for June federal and state lunch subsidies received in the general fund cash account that have not yet been turned-over to the enterprise fund. The interfund payable in the special revenue fund is due to the general fund for cash advances to cover cash deficit caused by federal grant spending that has not yet been reimbursed by the federal government.

NOTE 19: UNEARNED REVENUE

The balance of unearned revenue of \$182,055 is primarily related to unspent portions of federal awards.

NOTE 20: DEFICIT FUND BALANCES

The District has a deficit fund balance (Exhibit B-1) of \$24,629 in the Special Revenue Fund as of June 30, 2025, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

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

NOTE 21: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,200,147		\$ 7,200,147	\$ 7,200,147	-
Transportation	107,448		107,448	107,448	-
Interest Earned on Capital Reserve Funds	1,000		1,000		\$ (1,000)
Miscellaneous	5,000		5,000	95,784	90,784
Total - Local Sources	<u>7,313,595</u>		<u>7,313,595</u>	<u>7,403,379</u>	<u>89,784</u>
State Sources:					
Equalization Aid	79,877		79,877	79,877	
Transportation Aid	258,367		258,367	258,367	
Special Education Aid	351,820		351,820	351,820	
Security Aid	49,011		49,011	49,011	
Supplemental Stabilization Aid		29,112	29,112	29,112	
Other State Aid	50,000		50,000	137,690	87,690
TPAF Pension (On-Behalf - Non-Budgeted)				1,520,607	1,520,607
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				444,323	444,323
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				848	848
TPAF Social Security (Reimbursed - Non-Budgeted)				316,988	316,988
Total State Sources	<u>789,075</u>	<u>29,112</u>	<u>818,187</u>	<u>3,188,643</u>	<u>2,370,456</u>
Federal Sources:					
School & Small Business Ventilation & Energy Efficiency Verification	63,548		63,548	(21,472)	(85,020)
Total Federal Sources	<u>63,548</u>		<u>63,548</u>	<u>(21,472)</u>	<u>(85,020)</u>
TOTAL REVENUES	<u>8,166,218</u>	<u>29,112</u>	<u>8,195,330</u>	<u>10,570,550</u>	<u>2,375,220</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	235,301	(992)	234,309	227,614	6,695
Grades 1-5 - Salaries of Teachers	1,529,769	(56,336)	1,473,433	1,472,628	805
Grades 6-8 - Salaries of Teachers	417,119	(18,640)	398,479	393,144	5,335
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	7,640	12,640	6,364	6,276
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	51,800	(36,583)	15,217	1,695	13,522
Purchased Technical Services	47,300	12,814	60,114	56,291	3,823
Other Purchased Services (400-500 series)	30,200		30,200	29,420	780
General Supplies	50,750	(298)	50,452	47,711	2,741
Textbooks	60,000	(60,000)			
Other Objects	3,500		3,500	943	2,557
TOTAL REG. PROGRAMS - INSTRUCTION	2,430,739	(152,395)	2,278,344	2,235,810	42,534
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	146,750	7,218	153,968	150,790	3,178
Other Salaries for Instruction	8,717	32,269	40,986	40,330	656
Total Learning and/or Language Disabilities	155,467	39,487	194,954	191,120	3,834
Multiple Disabilities:					
Salaries of Teachers	181,980	5,075	187,055	186,955	100
Other Salaries for Instruction	36,025	12,938	48,963	48,693	
General Supplies					
Total Multiple Disabilities	218,005	18,013	236,018	235,648	370
Resource Room/Resource Center:					
Salaries of Teachers	263,052	73,500	336,552	332,881	3,671
Total Resource Room/Resource Center	263,052	73,500	336,552	332,881	3,671

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	19,714	5,147	24,861	24,861	
Other Salaries for Instruction	17,600	(3,928)	13,672	13,672	
Total Preschool Disabilities - Part-Time	37,314	1,219	38,533	38,533	
Home Instruction:					
Salaries of Teachers	2,000	10,300	12,300	5,983	6,317
Total Home Instruction	2,000	10,300	12,300	5,983	6,317
TOTAL SPECIAL ED. - INSTRUCTION	675,838	142,519	818,357	804,165	14,192
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	280,949		280,949	265,282	15,667
Total Basic Skills/Remedial - Instruction	280,949		280,949	265,282	15,667
School Spon.Co/Extra Curricular Actvts.-Instruction:					
Salaries	18,000	(250)	17,750	10,172	7,578
General Supplies		350	350	321	29
Total School Spon.Co/Extra Curricular Actvts.-Instruction	18,000	100	18,100	10,493	7,607
TOTAL INSTRUCTION	3,405,526	(9,776)	3,395,750	3,315,750	80,000
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction:					
Tuition- Other LEAs		72,835	72,835	72,835	
Tuition- Charter School	34,877	6,970	41,847	41,847	
Total Undistributed Expenditures - Instruction	34,877	79,805	114,682	114,682	
Attendance and Social Work:					
Salaries	39,620	2,500	42,120	38,625	3,495
Total Attendance and Social Work	39,620	2,500	42,120	38,625	3,495

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Health Services:					
Salaries	162,449	10,999	173,448	160,377	13,071
Purchased Professional and Technical Services	3,000		3,000		3,000
Supplies and Materials	4,250		4,250	2,661	1,589
Total Health Services	169,699	10,999	180,698	163,038	17,660
Other Supp. Services Students-Related Serv.:					
Salaries	243,480	608	244,088	243,767	321
Purchased Professional - Educational Services	5,760	16,000	21,760	4,298	17,462
Supplies and Materials	200		200	179	21
Total Other Supp. Serv. Students-Related Serv.	249,440	16,608	266,048	248,244	17,804
Other Supp. Services Students-Extra.Services:					
Salaries	242,590	(30,966)	211,624	201,994	9,630
Contracted Aide	62,311	22,671	84,982	80,905	4,077
Total Other Supp. Services Students-Extra.Services	304,901	(8,295)	296,606	282,899	13,707
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	67,945	(1)	67,944	65,955	1,989
Supplies and Materials	200		200		200
Total Other Supp. Services Students-Regular	68,145	(1)	68,144	65,955	2,189
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	338,839	3,166	342,005	341,278	727
Salaries of Secretarial and Clerical Assistants	40,222	4,469	44,691	44,691	
Other Purchased Professional Services	4,000	(3,456)	544	101	443
Other Purchased Professional and Technical Services	5,000	375	5,375	5,375	
Misc. Purchased Services (400-500 series O/than Resid.Costs)	400		400	210	190
Supplies and Materials	400	263	663	636	27
Total Other Supp. Services Students-Special	388,861	4,817	393,678	392,291	1,387
Improvement of Instruction Services:					
Salaries of Other Professional Staff	7,000		7,000	1,999	5,001
Purchased Professional - Educational Services	20,000	3,220	23,220	7,263	15,957
Total Improvement of Instruction Services	27,000	3,220	30,220	9,262	20,958

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Educational Media Services/School Library:					
Salaries	91,460	250	91,710	91,710	
Purchased Professional - Technical Services	7,500	(6,587)	913	913	
Supplies and Materials	3,400	970	4,370	4,335	35
Total Educational Media Services/School Library	102,360	(5,367)	96,993	96,958	35
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	2,500	3,135	5,635	5,422	213
Total Instructional Staff Training Services	2,500	3,135	5,635	5,422	213
Supp. Services - General Administration:					
Salaries	161,520		161,520	161,520	
Admin Sect	23,299		23,299	23,299	
Trea/Sub Caller	2,000		2,000	2,000	
Legal Services	5,000	2,275	7,275	5,475	1,800
Audit Fees	19,800		19,800	19,678	122
Other Purchased Professional Services	30,325	1,224	31,549	28,369	3,180
Communications/Telephone	12,300	1,100	13,400	7,995	5,405
Other Purchased Services (400-500 series)	30,510	(712)	29,798	28,242	1,556
General Supplies	2,500		2,500	1,263	1,237
Settlements/Judgement					
Miscellaneous Expenditures	7,000	1,000	8,000	7,719	281
BOE Membership Dues and Fees	4,500		4,500	4,451	49
Total Supp. Services - General Administration	298,754	4,887	303,641	290,011	13,630
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	164,670		164,670	159,670	5,000
Salaries of Other Professional Staff	1,000		1,000	1,000	
Salaries of Secretarial and Clerical Assistants	44,204	(1)	44,203	42,203	2,000
Supplies and Materials	4,500		4,500	1,649	2,851
Other Objects	3,000		3,000	2,778	222
Total Support Services - School Administration	217,374	(1)	217,373	207,300	10,073
Central Services:					
Salaries	157,678		157,678	157,678	
Other Salaries	1,685	10,628	12,313	11,699	614
Purchased Professional Services	300		300	255	45
Miscellaneous Purchased Services (400-500 series)	1,000		1,000	750	250
Supplies and Materials	1,500		1,500	1,402	98
Miscellaneous Expenditures	2,800		2,800	1,270	1,530
Total Central Services	164,963	10,628	175,591	173,054	2,537

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Admin. Info.Tech.:					
Salaries	72,299		72,299	72,299	
Purchased Technical Services	26,245		26,245	25,081	1,164
Supplies and Materials	3,000		3,000	1,592	1,408
Total Admin. Info.Tech.	101,544		101,544	98,972	2,572
Required Maintenance for School Facilities:					
Salaries	24,000		24,000	19,501	4,499
Cleaning, Repair and Maintenance Services	118,977	186,725	305,702	186,734	118,968
General Supplies	34,000	(20,549)	13,451	9,472	3,979
Total Required Maintenance for School Facilities	176,977	166,176	343,153	215,707	127,446
Other Operations and Maintenance of Plant:					
Salaries	259,856	(41,712)	218,144	214,733	3,411
Other Purchased Professional and Technical Services	18,630	17,681	36,311	32,564	3,747
Cleaning, Repair and Maintenance Services	24,000	(1,912)	22,088	19,781	2,307
Other Purchased Property Services	9,500	2,000	11,500	10,406	1,094
Insurance	59,000	4,561	63,561	63,561	
Miscellaneous Purchased Services	100		100	85	15
General Supplies	35,000	9,895	44,895	42,505	2,390
Energy (Heat and Electricity)	115,000	7,745	122,745	109,318	13,427
Total Other Operations and Maintenance of Plant	521,086	(1,742)	519,344	492,953	26,391
Security:					
Purchased Professional and Technical Services	124,577	2,401	126,978	120,544	6,434
General Supplies		1,469	1,469	1,469	
Total Security	124,577	3,870	128,447	122,013	6,434
Student Transportation Services					
Salaries for Pupil Transpor.(Between Home & School)-Regular	96,229		96,229	96,229	
Other Purchased Professional - Technical Services	4,500	671	5,171	5,100	71
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	19,200	809	20,009	19,721	288
Contracted Services (Other than Bet. Home and Sch.)-Vendors	2,000	310	2,310	1,374	936
Contracted Services (Bet. Home and School)-Joint Agreements	242,600		242,600	242,596	4
Contracted Services (Special Education Students)-Vendors	115,100	24,355	139,455	139,455	
Contracted Services (Special Education Students)-Joint Agrmnts.	84,095	(735)	83,360	83,360	
Contracted Services (Regular Students) - ESC & CTSA					
Supplies and Materials	5,500	(1,019)	4,481	4,134	347
Other Objects	4,000	(609)	3,391	3,308	83
Total Student Transportation Services	573,224	23,782	597,006	595,277	1,729

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
UNALLOCATED BENEFITS					
Social Security Contributions	100,000	4,488	104,488	103,923	565
Other Retirement Contributions-Regular PERS	100,000	(3,743)	96,257	96,257	
Other Retirement Contributions-ERIP	13,000	(217)	12,783	11,721	1,062
Workmen's Compensation	43,000	3,878	46,878	45,688	1,190
Health Benefits	1,066,723	(29,415)	1,037,308	1,036,409	899
Tuition Reimbursement	30,200	(15,733)	14,467	10,329	4,138
Other Employee Benefits	83,661	12,027	95,688	95,688	
TOTAL UNALLOCATED BENEFITS	1,436,584	(28,715)	1,407,869	1,400,015	7,854
On-behalf TPAF pension Contrib. (non-budgeted)				1,520,607	(1,520,607)
On-behalf TPAF PRM Contrib. (non-budgeted)				444,323	(444,323)
On-behalf TPAF pension LTD Ins. (non-budgeted)				848	(848)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				316,988	(316,988)
TOTAL ON-BEHALF CONTRIBUTIONS				2,282,766	(2,282,766)
TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS	1,436,584	(28,715)	1,407,869	3,682,781	(2,274,912)
TOTAL UNDISTRIBUTED EXPENDITURES	5,002,486	286,306	5,288,792	7,295,444	(2,006,652)
TOTAL GENERAL CURRENT EXPENSE	8,408,012	276,530	8,684,542	10,611,194	(1,926,652)
CAPITAL OUTLAY					
Equipment:					
Undistributed Equipment		100,782	100,782	71,367	29,415
Total Equipment		100,782	100,782	71,367	29,415
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services					
Construction Services	175,000		175,000	73,853	101,147
Total Facilities Acquisition and Construction Services	175,000		175,000	73,853	101,147
TOTAL CAPITAL OUTLAY	175,000	100,782	275,782	145,220	130,562
TOTAL EXPENDITURES	8,583,012	377,312	8,960,324	10,756,414	(1,796,090)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(416,794)	(348,200)	(764,994)	(185,864)	579,130

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Other Financing Sources:					
Operating Transfer (In)/Out:					
Local Contribution - Transfer to Special Revenue	90,384		90,384	90,384	-
Total Other Financing Sources:	90,384	-	90,384	90,384	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(507,178)	(348,200)	(855,378)	(276,248)	579,130
Fund Balance, July 1	1,849,221		1,849,221	1,849,221	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	1,849,221		1,849,221	1,849,221	
Fund Balance, June 30	\$ 1,342,043	\$ (348,200)	\$ 993,843	\$ 1,572,973	\$ 579,130

Recapitulation:**Restricted for:**

Capital Reserve	\$ 518,966
Maintenance Reserve	327,750
Unemployment Compensation	150,877

Assigned to:

Year-End Encumbrances	180,861
Designated for Subsequent Year's Expenditures	27,717

Unassigned:

Unrestricted Fund Balance	366,802
Fund Balance per Governmental Funds(Budgetary Basis)	1,572,973

Reconciliation to Governmental Funds Statement(GAAP Basis):

Last State Aid Payment not recognized on GAAP basis	(72,701)
Fund Balance per Governmental Funds(GAAP Basis)	\$ 1,500,272

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources	\$ 5,000	\$ 77,623	\$ 82,623	\$ 23,366	\$ (59,257)
State Sources	361,536	84,036	445,572	438,200	(7,372)
Federal Sources	224,000	119,429	343,429	330,675	(12,754)
Total Revenues	590,536	281,088	871,624	792,241	(79,383)
EXPENDITURES:					
Instruction					
Salaries of Teachers	164,030	12,510	176,540	175,115	1,425
Other Salaries for Instruction	86,479	(40,811)	45,668	45,342	326
Purchased Profess. & Tech. Serv.	2,200	13,495	15,695	15,664	31
General Supplies	54,419	97,773	152,192	92,813	59,379
Total Instruction	307,128	82,967	390,095	328,934	61,161
Support Services					
Salaries of Program Directors	19,289	5,000	24,289	24,289	-
Salaries of Other Professional Staff	40,678	(15,819)	24,859	23,066	1,793
Salaries of Secretarial & Clerical Staff	6,228	-	6,228	6,228	-
Other Salaries	15,844	13,279	29,123	29,123	-
Salaries of Comm. Parent Invl. Spec.	12,000	(375)	11,625	11,047	578
Salaries of Master Teachers	31,021	2,627	33,648	33,648	-
Personal Services-Employee Bene.	86,012	1,620	87,632	86,859	773
Purchased Profess. & Tech Svcs	2,600	11,210	13,810	13,810	-
Purchased Profess. Educ. Svcs	127,800	14,036	141,836	141,628	208
Cleaning, Repair & Maintenance	11,320	8,550	19,870	19,771	99
Contracted Transportation Betw Home & Sch.	-	500	500	-	500
Other Purchased Services	4,000	(4,000)	-	-	-
Supplies and Materials	12,000	20,137	32,137	29,942	2,195
Student Activities	5,000	17,696	22,696	22,696	-
Total Support Services	373,792	74,461	448,253	442,107	6,146
Facilities Acq. & Construction Services:					
Buildings	-	43,689	43,689	32,414	11,275
Instructional Equipment	-	741	741	-	741
Non-Instructional Equipment	-	81,060	81,060	81,000	60
Total Facilities Acq. & Construction Services	-	125,490	125,490	113,414	12,076
Total Expenditures	\$ 680,920	\$ 282,918	\$ 963,838	\$ 884,455	79,383
Excess (Deficiency) of Revenues Over (Under) Expendit	(90,384)	(1,830)	(92,214)	(92,214)	-
Other Financing Sources (Uses):					
Transfers from Other Funds	90,384		90,384	90,384	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	(1,830)	(1,830)	(1,830)	-
Fund Balance Beginning				13,351	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				13,351	
Fund Balance Ending				<u>\$ 11,521</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 11,521	
Total Fund Balance				11,521	
Reconciliation to Governmental Funds Statement B-2 (GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(36,150)	
Fund Balance per Governmental Funds B-2 (GAAP Basis)				<u>\$ (24,629)</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 10,570,550	\$ 792,241
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	204,328
Current Year Encumbrances	N/A	(103,868)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	78,189	29,562
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(72,701)	(36,150)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 10,576,038</u>	<u>\$ 886,113</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,756,414	\$ 884,455
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	204,328
Current Year Encumbrances	N/A	(103,868)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,756,414</u>	<u>\$ 984,915</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 17,777,415	\$ 18,600,379	\$ 18,934,465	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532
Total	\$ 17,777,415	\$ 18,600,379	\$ 18,934,465	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532
District's covered employee payroll	\$ 4,361,978	\$ 4,258,407	\$ 4,317,862	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.007074%	0.007249%	0.008261%	0.008961%	0.009619%	0.009009%	0.010481%	0.014602%	0.012242%	0.012563%
District's proportionate share of the net pension liability (asset)	\$ 961,205	\$ 1,049,974	\$ 1,246,673	\$ 1,061,507	\$ 1,568,607	\$ 1,623,247	\$ 2,063,714	\$ 3,399,139	\$ 3,625,757	\$ 2,820,035
District's covered employee payroll	\$ 620,081	\$ 549,117	\$ 560,291	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	155.01%	191.21%	222.50%	193.33%	258.31%	249.69%	298.50%	480.57%	507.98%	197.42%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 4,361,978	\$ 4,258,407	\$ 4,317,862	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 96,257	\$ 96,885	\$ 104,173	\$ 104,938	\$ 105,227	\$ 87,778	\$ 104,624	\$ 136,801	\$ 109,040	\$ 113,649
Contributions in relation to the contractually required contribution	(96,257)	(96,885)	(104,173)	(104,938)	(105,227)	(87,778)	(104,624)	(136,801)	(109,040)	(113,649)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 620,081	\$ 549,117	\$ 560,291	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437
Contributions as a percentage of covered-employee payroll	15.52%	17.64%	18.59%	19.11%	17.33%	13.50%	15.13%	19.34%	15.28%	7.96%

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	\$ 2,152,062,729	\$ 2,136,235,476	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	(63,870,842)						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$53,639,841,858	\$57,831,784,184	\$ 46,849,651,824	
Total OPEB Liability - Ending	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$46,110,832,982	\$53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	\$ 59,650,630,530	\$ 52,361,668,239	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$46,110,832,982	\$53,639,841,858	\$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	\$ 24,394,090	\$ 21,183,397	\$ 21,252,678	\$ 25,104,141	\$ 29,373,097	\$ 18,862,812	\$ 21,353,835	\$ 23,974,163	\$ 25,813,155	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	\$ 4,982,059	\$ 4,807,524	\$ 4,878,153	\$ 4,708,902	\$ 4,717,927	\$ 4,856,092	\$ 4,848,475	\$ 4,748,141	\$ 4,662,869	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	\$ 15,845,935,573	\$ 15,314,749,297	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$13,640,275,833	\$13,493,400,208	\$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

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

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

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS
--

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2025

	Title I Part A	Title I I Part A	Title IV	IDEA Basic	IDEA Preschool	ARP Accel. Learn	ARP High Impact Tutoring	ARP PS Facility Expansion	REAP	Preschool Education Aid	DCA Recreation Grant	Local Grants	Student Activity	School House Fund	Totals
REVENUES															
Local Sources												\$ 2,500	\$ 20,807	\$ 59	\$ 23,366
State Sources										\$ 357,200	\$ 81,000				438,200
Federal Sources	\$ 51,906	\$ 8,571	\$ 10,000	\$ 151,257	\$ 11,242	\$ 8,370	\$ 13,864	\$ 32,414	\$ 43,051						330,675
TOTAL REVENUES	51,906	8,571	10,000	151,257	11,242	8,370	13,864	32,414	43,051	357,200	81,000	2,500	20,807	59	792,241
EXPENDITURES:															
Instruction:															
Salaries of Teachers	33,000					1,080				141,035					175,115
Other Salaries for Instruction										45,342					45,342
Purchased Profess. & Tech. Serv.				2,420		5,120	8,124								15,664
General Supplies	1,780		6,485	13,758		2,170	358		43,051	25,211					92,813
Total Instruction	34,780	-	6,485	16,178	-	8,370	8,482	-	43,051	211,588	-	-	-	-	328,934
Support Services:															
Salaries of Program Directors										24,289					24,289
Salaries of Other Professional Staff										23,066					23,066
Salaries of Secretarial & Clerical Staff										6,228					6,228
Other Salaries							5,000			24,123					29,123
Salaries of Comm. Parent Invl. Spec.										11,047					11,047
Salaries of Master Teachers										33,648					33,648
Personal Services-Employee Bene.	15,844						382			70,633					86,859
Purchased Profess. & Tech Svcs										13,810					13,810
Purchased Profess. Educ. Svcs		8,571	3,515	118,670	10,272					600					141,628
Cleaning, Repair & Maintenance										19,771					19,771
Supplies and Materials	1,282			16,409	970					8,781		2,500			29,942
Student Activities													22,696		22,696
Total Support Services	17,126	8,571	3,515	135,079	11,242	-	5,382	-	-	235,996	-	2,500	22,696	-	442,107
Facilities Acq. & Contruction Services:															
Buildings								32,414							32,414
Non-Instuctional Equipment											81,000				81,000
Total Facilities Acq. & Contruction Services	-	-	-	-	-	-	-	32,414	-	-	81,000	-	-	-	113,414
TOTAL EXPENDITURES	\$ 51,906	\$ 8,571	\$ 10,000	\$ 151,257	\$ 11,242	\$ 8,370	\$ 13,864	\$ 32,414	\$ 43,051	\$ 447,584	\$ 81,000	\$ 2,500	\$ 22,696	-	\$ 884,455
Excess (Deficiency) of Revenues															
Over (Under) Expenditures	\$ 51,906	\$ 8,571	\$ 10,000	\$ 151,257	\$ 11,242	\$ 8,370	\$ 13,864	\$ 32,414	\$ 43,051	\$ 447,584	\$ 81,000	\$ 2,500	\$ 22,696	-	\$ 884,455
Other Financing Sources (Uses):															
Transfers from Other Funds										90,384					90,384
Excess (Deficiency) of Revenues															
Over (Under) Expenditures and															
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	(1,889)	59	(1,830)
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	-	10,968	2,383	13,351
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	-	10,968	2,383	13,351
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-	\$ 9,079	\$ 2,442	\$ 11,521

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 142,030	-	\$ 142,030	\$ 141,035	\$ 995
Other Salaries for Instruction	86,479	\$ (40,940)	45,539	45,342	197
General Supplies	4,419	20,792	25,211	25,211	-
Total instruction	232,928	(20,148)	212,780	211,588	1,192
Support services:					
Salaries of Program Directors	19,289	5,000	24,289	24,289	-
Salaries of Other Professional Staff	40,678	(15,820)	24,858	23,066	1,792
Salaries of Secretarial & Clerical Staff	6,228	-	6,228	6,228	-
Other Salaries	15,844	8,279	24,123	24,123	-
Salaries of Comm. Parent Invl. Spec.	12,000	(375)	11,625	11,047	578
Salaries of Master Teachers	31,021	2,627	33,648	33,648	-
Personal Services-Employee Bene.	77,012	(5,606)	71,406	70,633	773
Purchased Profess. Educ. Svcs	600	-	600	600	-
Purchased Profess. & Tech Svcs		13,810	13,810	13,810	-
Cleaning, Repair & Maintenance	11,320	8,451	19,771	19,771	-
Supplies and Materials	5,000	3,782	8,782	8,781	1
Total support services	218,992	20,148	239,140	235,996	3,144
Total Expenditures	\$ 451,920	-	\$ 451,920	\$ 447,584	\$ 4,336

CALCULATION OF BUDGET & CARRYOVER

Total 2024-2025 PreK Aid Allocation	\$ 361,536
Add: Actual ECPA Carryover June 30, 2024	3,036
Add: Budgeted Transfer From General Fund	90,384
Total Funds Available for 2023-2025 Budget	454,956
Less: 2024-2025 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(451,920)
Available & Unbudgeted Funds as of June 30, 2025	3,036
Add: June 30, 2025 Unexpended PreK Aid	4,336
2024-2025 Actual Carryover - PreK Aid	7,372
2024-2025 PreK Carryover Budgeted in 2025-2026	\$ 3,036

CAPITAL PROJECTS FUND DETAIL STATEMENTS
--

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

N/A

PROPRIETARY FUND DETAIL STATEMENTS
--

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

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

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

FIDUCIARY FUND DETAIL STATEMENTS

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

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

Washington Township School District
Statistical Section

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

Sources:

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

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

Exhibit J-1

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,341,064	\$ 2,578,643	\$ 2,644,434	\$ 3,105,665	\$ 3,177,677	\$ 3,004,291	\$ 3,204,207	\$ 3,470,717	\$ 3,390,348	\$ 3,016,483
Restricted	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988	1,117,029	1,388,768	1,036,831
Unrestricted	(2,641,354)	(2,833,497)	(2,790,454)	(2,667,927)	(2,398,918)	(2,033,561)	(1,607,828)	(876,745)	(941,780)	(734,371)
Total governmental activities net position	\$ 128,271	\$ 481,929	\$ 772,357	\$ 1,555,742	\$ 2,149,418	\$ 2,665,186	\$ 3,175,367	\$ 3,711,001	\$ 3,837,336	\$ 3,318,943
Business-type activities										
Invested in capital assets, net of related debt	\$ 17,862	\$ 13,396	\$ 8,930	\$ 4,464		-	\$ 21,966	\$ 20,406	\$ 13,932	\$ 7,457
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	\$ 78,823	64,135	62,588	50,870	\$ 35,656	\$ 26,586	68,038	89,579	97,673	46,909
Total business-type activities net position	\$ 96,685	\$ 77,531	\$ 71,518	\$ 55,334	\$ 35,656	\$ 26,586	\$ 90,004	\$ 109,985	\$ 111,605	\$ 54,366
District-wide										
Invested in capital assets, net of related debt	\$ 2,358,926	\$ 2,592,039	\$ 2,653,364	\$ 3,110,129	\$ 3,177,677	\$ 3,004,291	\$ 3,226,173	\$ 3,491,123	\$ 3,404,280	\$ 3,023,940
Restricted	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988	1,117,029	1,388,768	1,036,831
Unrestricted	(2,562,531)	(2,769,362)	(2,727,866)	(2,617,057)	(2,363,262)	(2,006,975)	(1,539,790)	(787,166)	(844,107)	(687,462)
Total district net position	\$ 224,956	\$ 559,460	\$ 843,875	\$ 1,611,076	\$ 2,185,074	\$ 2,691,772	\$ 3,265,371	\$ 3,820,986	\$ 3,948,941	\$ 3,373,309

Source: ACFR Schedule A-1

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

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,199,342	\$ 4,473,903	\$ 4,500,204	\$ 3,934,038	\$ 3,945,396	\$ 4,442,668	\$ 3,568,045	\$ 3,272,011	\$ 3,410,932	\$ 3,404,477
Special education	1,170,805	1,223,714	1,096,943	1,172,349	887,153	976,009	890,496	997,220	874,553	993,170
Other special education	541,466	496,980	544,703	532,682	506,837	423,847	398,242	365,295	347,842	340,591
Support Services:										
Tuition	-	-	-	1,692	4,778	71	66,051	67,615	90,270	141,636
Student & instruction related services	2,206,916	2,092,454	2,391,437	2,094,859	1,952,051	2,174,171	2,066,154	1,812,354	2,118,772	2,158,890
General administrative services	760,341	891,704	906,707	813,484	735,143	784,288	732,265	680,199	726,432	694,134
School administrative services	454,902	534,092	548,583	468,936	412,408	425,236	370,185	341,903	343,276	332,330
Business administrative services										
Plant operations and maintenance	1,083,095	1,141,486	1,540,999	1,686,839	1,427,276	1,534,574	1,338,428	1,134,326	1,029,168	1,253,754
Pupil transportation	696,248	746,547	779,204	709,272	693,702	702,533	725,226	674,601	646,317	735,186
Non-Budgeted Contributions										
Special Schools										
Charter Schools										
Interest on long-term debt										
Unallocated depreciation	130,332	167,103	191,395	165,053	187,887	197,942	232,414	274,872	283,442	291,600
Total governmental activities expenses	11,243,447	11,767,983	12,500,175	11,579,204	10,752,631	11,661,339	10,387,506	9,620,396	9,871,004	10,345,768
Business-type activities:										
Food service	129,627	133,981	141,033	140,825	118,139	145,621	211,402	184,688	184,295	249,010
Child Care	70,313	101,595	92,684	75,641	68,116	2,303	36,303	-	-	-
Total business-type activities expense	199,940	235,576	233,717	216,466	186,255	147,924	247,705	184,688	184,295	249,010
Total district expenses	\$ 11,443,387	\$ 12,003,559	\$ 12,733,892	\$ 11,795,670	\$ 10,938,886	\$ 11,809,263	\$ 10,635,211	\$ 9,805,084	\$ 10,055,299	\$ 10,594,778
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)										
Business and other support services	\$ 98,700	\$ 100,792	\$ 121,050	\$ 104,648	\$ 101,430	\$ 100,312	\$ 114,780	\$ 122,569	\$ 122,969	\$ 128,255
Operating grants and contributions	5,288,774	5,994,612	6,554,988	5,614,769	4,713,136	5,548,798	3,935,809	3,169,653	2,700,018	2,397,185
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	5,387,474	6,095,404	6,676,038	5,719,417	4,814,566	5,649,110	4,050,589	3,292,222	2,822,987	2,525,440
Business-type activities:										
Charges for services										
Food service	90,870	91,315	90,931	78,966	64,178	10,047	6,254	96,391	89,248	97,834
Child care	87,789	75,855	75,430	64,040	49,397	1,298	35,299	-	-	-
Operating grants and contributions	50,547	49,252	61,343	57,276	53,002	127,509	269,570	108,278	96,667	93,937
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	229,206	216,422	227,704	200,282	166,577	138,854	311,123	204,669	185,915	191,771
Total district program revenues	\$ 5,616,680	\$ 6,311,826	\$ 6,903,742	\$ 5,919,699	\$ 4,981,143	\$ 5,787,964	\$ 4,361,712	\$ 3,496,891	\$ 3,008,902	\$ 2,717,211
Net (Expense)/Revenue										
Governmental activities	\$ (5,855,973)	\$ (5,672,579)	\$ (5,824,137)	\$ (5,859,787)	\$ (5,938,065)	\$ (6,012,229)	\$ (6,336,917)	\$ (6,328,174)	\$ (7,048,017)	\$ (7,820,328)
Business-type activities	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418	19,981	1,620	(57,239)
Total district-wide net expense	\$ (5,826,707)	\$ (5,691,733)	\$ (5,830,150)	\$ (5,875,971)	\$ (5,957,743)	\$ (6,021,299)	\$ (6,273,499)	\$ (6,308,193)	\$ (7,046,397)	\$ (7,877,567)

Continued

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

Exhibit J-2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685	\$ 6,832,361	\$ 7,009,948	\$ 7,200,147
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,926	4,360	9,993	24,062	12,147	1,611	547	6,547	49,032	41,813
Miscellaneous income	12,322	61,759	25,252	3,733	14,718	36,609	197,866	24,900	115,372	59,975
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>5,858,501</u>	<u>6,026,237</u>	<u>6,114,565</u>	<u>6,246,343</u>	<u>6,369,784</u>	<u>6,527,997</u>	<u>6,847,098</u>	<u>6,863,808</u>	<u>7,174,352</u>	<u>7,301,935</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 5,858,501</u>	<u>\$ 6,026,237</u>	<u>\$ 6,114,565</u>	<u>\$ 6,246,343</u>	<u>\$ 6,369,784</u>	<u>\$ 6,527,997</u>	<u>\$ 6,847,098</u>	<u>\$ 6,863,808</u>	<u>\$ 7,174,352</u>	<u>\$ 7,301,935</u>
Change in Net Position										
Governmental activities	\$ 2,528	\$ 353,658	\$ 290,428	\$ 386,556	\$ 431,719	\$ 515,768	\$ 510,181	\$ 535,634	\$ 126,335	\$ (518,393)
Business-type activities	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418	19,981	1,620	(57,239)
Total district	<u>\$ 31,794</u>	<u>\$ 334,504</u>	<u>\$ 284,415</u>	<u>\$ 370,372</u>	<u>\$ 412,041</u>	<u>\$ 506,698</u>	<u>\$ 573,599</u>	<u>\$ 555,615</u>	<u>\$ 127,955</u>	<u>\$ (575,632)</u>

Source: ACFR Schedule A-2

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

Exhibit J-3

	2016	2017	2018	2019	Fiscal Year Ending June 30,		2022	2023	2024	2025
					2020	2021				
General Fund										
Reserved	\$ 567,579	\$ 820,464	\$ 1,106,361	\$ 1,276,575	\$ 1,561,854	\$ 1,873,240	\$ 1,711,111	\$ 1,338,959	\$ 1,492,452	\$ 1,206,171
Unreserved	(2,829)	17,199	52,481	89,486	93,528	213,062	292,446	413,295	278,580	294,101
Total general fund	<u>\$ 564,750</u>	<u>\$ 837,663</u>	<u>\$ 1,158,842</u>	<u>\$ 1,366,061</u>	<u>\$ 1,655,382</u>	<u>\$ 2,086,302</u>	<u>\$ 2,003,557</u>	<u>\$ 1,752,254</u>	<u>\$ 1,771,032</u>	<u>\$ 1,500,272</u>
All Other Governmental Funds										
Reserved					\$ 11,080	\$ 11,340	\$ 11,671	\$ 16,534	\$ 13,351	\$ 11,521
Unreserved, reported in:										
Special revenue fund									(29,562)	(36,150)
Capital projects fund										
Debt service fund										
Trust and agency fund										
Total all other governmental funds	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,080</u>	<u>11,340</u>	<u>\$ 11,671</u>	<u>\$ 16,534</u>	<u>\$ (16,211)</u>	<u>\$ (24,629)</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Tax levy	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685	\$ 6,832,361	\$ 7,009,948	\$ 7,200,147
Tuition charges										
Interest earnings	141	-	1,736	7,190	-	511	263	-	-	-
Miscellaneous	113,807	166,911	154,559	125,253	128,295	138,021	312,930	154,016	287,373	230,043
State sources	3,745,372	3,867,839	4,010,714	4,058,577	3,854,235	3,847,331	3,844,389	3,726,593	3,670,075	3,661,599
Federal sources	229,086	216,837	187,802	251,070	247,104	416,388	466,254	546,074	400,003	370,362
Total revenue	9,931,659	10,211,705	10,434,131	10,660,638	10,572,553	10,892,028	11,272,521	11,259,044	11,367,399	11,462,151
Expenditures										
Instruction										
Regular Instruction	2,724,490	2,591,306	2,507,327	2,446,267	2,609,227	2,727,358	2,477,040	2,455,698	2,558,606	2,624,665
Special education instruction	764,829	728,158	632,278	751,244	605,819	621,661	644,450	786,331	688,898	804,165
Other special instruction	353,713	295,723	313,967	341,344	346,109	269,966	288,207	288,043	274,000	275,775
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	1,084	3,263	45	47,801	53,316	71,107	114,682
Student & instruction related services	1,441,669	1,245,093	1,378,424	1,342,390	1,333,016	1,384,821	1,495,272	1,429,082	1,668,987	1,748,043
General administrative services	496,693	530,599	522,626	521,282	502,014	499,546	529,939	536,352	572,221	562,037
School administrative services	267,751	277,252	275,649	265,522	241,814	228,910	218,657	211,356	210,346	207,300
Plant operations and maintenance	694,077	665,774	866,063	1,036,156	869,033	954,508	941,698	862,604	757,207	830,673
Pupil transportation	454,824	444,225	449,133	454,503	473,715	447,473	524,845	531,938	509,113	595,277
Unallocated employee benefits	2,483,990	2,594,576	2,760,986	2,909,752	2,959,761	3,090,014	3,530,314	3,594,945	3,626,035	3,682,781
Transfer to Charter School	48,889	44,807	-	-	-	44,758	43,070	-	-	-
Capital Outlay	195,872	521,279	406,499	383,875	490,338	191,788	613,642	755,819	444,846	295,931
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	9,926,797	9,938,792	10,112,952	10,453,419	10,434,109	10,460,848	11,354,935	11,505,484	11,381,366	11,741,329
Excess (Deficiency) of revenues over (under) expenditures	4,862	272,913	321,179	207,219	138,444	431,180	(82,414)	(246,440)	(13,967)	(279,178)
Other Financing Sources (uses)										
Transfers in										
Transfers out										
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 4,862	\$ 272,913	\$ 321,179	\$ 207,219	\$ 138,444	\$ 431,180	\$ (82,414)	\$ (246,440)	\$ (13,967)	\$ (279,178)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

WASHINGTON TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Account</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 2,785	\$ 141	\$ 10,778	\$ 98,700		\$ 1,000	\$ 113,404
2017	4,360		13,915	100,792	\$ 42,194	4,180	165,441
2018	8,257	1,736	22,327	102,852	18,198	1,354	154,724
2019	16,872	7,190		104,648	-	3,733	132,443
2020	12,147	-		101,430	-	12,718	132,443
2021	1,100	511	36,514	99,520	-	-	137,645
2022	284	263	110,395	101,032	-	87,116	299,090
2023	6,547	-		92,760	-	23,671	122,978
2024	49,032	-	112,492	103,980	-	1,971	267,475
2025	41,813	-	38,187	107,448	-	15,784	203,232

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax- Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2016	\$11,107,000	\$557,507,301	\$25,814,400	\$2,465,700	\$77,247,900	\$3,445,900	\$1,780,300	\$739,047,749	\$59,679,148	\$100	\$679,368,601	\$0.875	\$730,164,989
2017	10,778,500	557,463,501	26,272,400	2,595,000	77,981,800	3,445,900	1,685,900	740,519,312	59,366,048	930,263	681,153,264	0.893	725,063,215
2018	10,670,500	556,977,408	26,323,600	2,585,000	78,268,768	3,573,300	1,685,900	740,624,234	59,588,748	951,010	681,035,486	0.907	700,881,018
2019	12,816,000	556,398,608	27,193,200	2,402,100	80,465,968	3,573,300	1,685,900	746,254,717	60,747,948	971,693	685,506,769	0.931	698,845,642
2020	10,168,100	555,469,808	27,501,100	2,427,100	80,528,968	3,573,300	1,685,900	745,197,824	63,843,548	-	681,354,276	0.944	708,550,380
2021	13,806,700	555,632,808	27,780,600	2,490,200	82,543,268	3,523,300	1,685,900	748,844,224	61,381,448	-	687,462,776	0.969	724,471,996
2022	12,816,500	554,709,808	28,315,700	2,388,800	82,543,268	3,523,300	1,685,900	747,809,324	61,826,048	-	685,983,276	0.999	730,278,125
2023	10,576,700	555,091,408	28,404,200	2,406,000	82,427,968	3,523,300	1,686,700	766,941,124	82,824,848	-	684,116,276	1.022	777,634,630
2024	10,901,600	557,300,256	28,576,600	2,414,000	81,522,800	3,523,300	1,686,700	803,063,687	117,138,431	-	685,925,256	1.048	908,006,808
2025	11,932,200	558,066,200	28,301,000	2,450,200	81,295,800	3,523,300	1,686,800	807,276,600	120,021,100	-	687,255,500	1.048	979,991,377

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Washington Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional School District	Washington Township	Library	Warren County	
2016	\$0.860	\$0.000	\$0.860	\$1.154	\$0.613	\$0.000	\$0.834	\$3.461
2017	\$0.875	\$0.000	\$0.875	\$1.198	\$0.623	\$0.000	\$0.813	\$3.509
2018	\$0.893	\$0.000	\$0.893	\$1.151	\$0.662	\$0.000	\$0.781	\$3.487
2019	\$0.907	\$0.000	\$0.907	\$1.153	\$0.707	\$0.000	\$0.744	\$3.511
2020	\$0.931	\$0.000	\$0.931	\$1.189	\$0.737	\$0.000	\$0.743	\$3.600
2021	\$0.944	\$0.000	\$0.944	\$1.193	\$0.749	\$0.000	\$0.742	\$3.628
2022	\$0.969	\$0.000	\$0.969	\$1.204	\$0.767	\$0.000	\$0.743	\$3.683
2023	\$0.999	\$0.000	\$0.999	\$1.211	\$0.785	\$0.000	\$0.773	\$3.768
2024	\$1.022	\$0.000	\$1.022	\$1.290	\$0.798	\$0.000	\$0.836	\$3.946
2025	\$1.048	\$0.000	\$1.048	\$1.298	\$0.797	\$0.000	\$0.868	\$4.011

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

**Washington Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hawk Pointe, LLC	\$ 11,374,900	1	1.66%	\$ 12,025,600	1	1.77%
Washington Asbury LLC	6,506,500	2	0.95%			
Asbury Farms	4,808,400	3	0.70%	6,675,000	2	0.98%
Washington Township Realty, LLC	3,562,700	4	0.52%			
Desapio Properties, #3, LLC	3,376,800	5	0.49%	3,376,800	4	0.50%
Rossi 31, LLC	3,342,700	6	0.49%	3,342,700	5	0.49%
Ed Mark 31, LLC	3,243,900	7	0.47%	3,243,900	6	0.48%
Prime Storage	2,291,700	8	0.33%	2,291,700	8	0.34%
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.27%	2,221,700	9	0.33%
Witte Holdings LLC	1,805,100	10	0.26%	1,805,100	10	0.27%
Washington Shopping Centers, Inc.				6,541,500	3	0.96%
Fitzgibbon, Smith & Smith				3,134,900	7	0.46%
Total	<u>\$ 42,188,100</u>		<u>6.14%</u>	<u>\$ 44,658,900</u>		<u>6.57%</u>

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$5,843,253	\$5,843,253	100.00%	-
2017	\$5,960,118	\$5,960,118	100.00%	-
2018	\$6,079,320	\$6,079,320	100.00%	-
2019	\$6,218,548	\$6,218,548	100.00%	-
2020	\$6,342,919	\$6,342,919	100.00%	-
2021	\$6,489,777	\$6,489,777	100.00%	-
2022	\$6,648,685	\$6,648,685	100.00%	-
2023	\$6,832,361	\$6,832,361	100.00%	-
2024	\$7,009,948	\$7,009,948	100.00%	-
2025	\$7,200,147	\$7,200,147	100.00%	-

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

Note:

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2016	-	-	-	-	-0-	-	0.00%	-
2017	-	-	-	-	-0-	-	0.00%	-
2018	-	-	-	-	-0-	-	0.00%	-
2019	-	-	-	-	-0-	-	0.00%	-
2020	-	-	-	-	-0-	-	0.00%	-
2021	-	-	-	-	-0-	-	0.00%	-
2022	-	-	-	-	-0-	-	0.00%	-
2023	-	-	-	-	-0-	-	0.00%	-
2024	-	-	-	-	-0-	-	0.00%	-
2025	-	-	-	-	-0-	-	0.00%	-

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	-	-0-	-	0.00%	- R
2017	-	-0-	-	0.00%	- R
2018	-	-0-	-	0.00%	- R
2019	-	-0-	-	0.00%	- R
2020	-	-0-	-	0.00%	- R
2021	-	-0-	-	0.00%	- R
2022	-	-0-	-	0.00%	- R
2023	-	-0-	-	0.00%	- R
2024	-	-0-	-	0.00%	- R
2025	-	-0-	-	0.00%	- *

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

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

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

R Revised

* Current data unavailable

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

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Washington	\$ 7,112,312	100.000%	\$ 7,112,312
Other debt			
Warren County	10,290,000	6.728%	692,346
Subtotal, overlapping debt			7,804,658
Washington Township School District Direct Debt			-
Total direct and overlapping debt			<u><u>\$ 7,804,658</u></u>

Sources: Township Finance Officer, Warren County Finance Office
and Utility Authorities

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized valuation basis									
	2022 903,720,312									
	2023 975,989,266									
	2024 1,047,326,272									
	[A] \$ 2,927,035,850									
	Average equalized valuation of taxable property [A/3] \$ 975,678,617									
	Debt limit (3 % of average equalization value) [B] 29,270,359									
	Net bonded school debt [C] -									
	Legal debt margin [B-C] \$ 29,270,359									
	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$21,869,769	\$21,459,997	\$21,109,345	\$20,996,850	\$21,177,540	\$21,562,830	\$22,241,933	\$24,116,787	\$26,576,448	\$ 29,270,359
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$21,869,769	\$21,459,997	\$21,109,345	\$20,996,850	\$21,177,540	\$21,562,830	\$22,241,933	\$24,116,787	\$26,576,448	\$29,270,359
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2016	6,460	\$ 334,759,724	\$50,021 R	3.9%
2017	6,414	\$ 333,216,104	\$51,452 R	3.7%
2018	6,382	\$ 332,444,294	\$53,122 R	3.4%
2019	6,385	\$ 330,386,134	\$55,641 R	3.2%
2020	6,367	\$ 356,136,474	\$58,701 R	7.7%
2021	6,366	\$ 368,298,564	\$62,006 R	4.9%
2022	6,508	\$ 393,896,700	\$63,016 R	3.1%
2023	6,580	\$ 414,809,780	\$66,483 R	3.4%
2024	6,780	\$ 426,604,380	\$66,483 *	4.3%
2025	6,927	\$ 460,527,741	\$66,483 *	*

Source:

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

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

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

P =Projected

R =Revised

* Current data unavailable

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

Exhibit J-15
N/A

Employer	2025			2016		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

Source:

No reliable information is available at the local or county level.

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

Exhibit J-16

<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	37.0	36.3	35.0	35.0	32.8	32.1	31.0	29.9	29.9	30.8
Special education	16.0	14.5	13.5	13.5	12.0	13.7	12.9	12.7	13.9	13.0
Other instruction	21.8	14.1	16.3	17.4	17.9	14.6	10.3	10.9	13.8	12.8
Support Services:										
Tuition										
Student & instruction related services	10.2	9.6	10.2	10.2	10.2	10.8	11.9	11.9	11.9	111.4
General administrative services	2.7	2.5	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.5
School administrative services	4.3	4.3	4.3	4.3	4.3	4.3	4.6	4.7	3.7	2.3
Business administrative services	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.1	1.5
Plant operations and maintenance	5.6	5.3	5.3	4.7	4.9	5.0	5.0	5.9	6.1	5.6
Pupil transportation	1.6	1.6	1.6	1.6	1.6	1.6	1.1	1.3	1.3	1.3
Food Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	1.5	1.5	1.5	2.0	2.0	0.0	2.0	0.0	0.0	0.0
Total	102.3	91.3	91.8	92.8	89.8	86.2	82.8	81.3	84.1	181.2

Source: District Personnel Records

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

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	489	\$ 9,730,925	\$ 19,900	9.54%	52	9.4:1	483.7	461.9	-6.80%	95.5%
2017	467	9,417,513	20,166	1.34%	51	9.2:1	469.1	444.5	-3.02%	94.8%
2018	453	9,706,453	21,427	6.25%	51	8.9:1	380.3	275.8	-18.93%	72.5%
2019	421	10,069,544	23,918	11.63%	52	8.1:1	425.7	402.6	11.94%	94.6%
2020	419	9,943,771	23,732	-0.78%	52	8.1:1	417.8	399.2	-1.86%	95.5%
2021	381	10,269,060	26,953	13.57%	52	7.3:1	390.7	374.2	-6.49%	95.8%
2022	399	10,741,293	26,921	-0.12%	52	7.7:1	395.1	374.0	1.13%	94.7%
2023	386	10,749,665	27,849	3.45%	52	7.4:1	386.1	361.8	-2.28%	93.7%
2024	407	10,936,520	26,871	-3.51%	52	7.8:1	412.2	385.3	6.76%	93.5%
2025	435	11,445,398	26,311	-2.08%	52	8.4:1	439.0	413.6	6.50%	94.2%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

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

Exhibit J-18

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>District Building</u>										
<u>Elementary</u>										
Brass Castle (1961)										
Square Feet	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400
Capacity (students)	355.0	355.0	355.0	355.0	355.0	355.0	355.0	355.0	355.0	355.0
Enrollment	304.0	290.0	287.0	259.0	264.0	234.0	231.0	214.0	247.0	265.0
Port Colden (1932)										
Square Feet	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450
Capacity (students)	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0	195.0
Enrollment	177.0	180.0	166.0	165.0	150.0	147.0	168.0	172.0	160.0	175.0
Old School House (District Office)										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2025

Source: District records, ASSA

Elementary = 2

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Brass Castle	040	\$112,006	\$94,873	\$211,624	\$290,095	\$195,618	\$216,707	\$209,101	\$138,258	\$94,874	\$121,874	\$1,685,030
Port Colden	050	79,098	66,998	149,447	204,864	138,144	153,038	147,666	97,637	66,999	86,067	1,189,958
PC Old Schoolhouse		7,137	6,045	13,484	18,484	12,464	13,808	13,323	8,810	6,045	7,766	107,366
Total School Facilities		198,241	167,916	374,555	513,443	346,226	383,553	370,090	244,705	167,918	215,707	2,982,354
Other Facilities												
Grand Total		\$198,241	\$167,916	\$374,555	\$513,443	\$346,226	\$383,553	\$370,090	\$244,705	\$167,918	\$215,707	\$2,982,354

WASHINGTON TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2025

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY - SAIF		
*Property-Blanket Building and Contents	\$ 500,000,000	\$ 2,500
Comprehensive General Liability	10,000,000	
Comprehensive Automobile Liability	10,000,000	1,000
Comprehensive Crime Coverage (each loss)	500,000	1,000
Blanket Dishonesty Bond (per loss)	500,000	1,000
 BOILER AND MACHINERY - SAIF		
*Property Damage	100,000,000	1,000
 UMBRELLA LIABILITY- SAIF		
Umbrella Policy	5,000,000	Per Occurrence
 SCHOOL BOARD LEGAL LIABILITY - SAIF		
Directors and Officers Policy	5,000,000	5,000
 PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance		
Board Administrator	180,000	

* School Alliance Insurance Fund (SAIF)

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Washington Township School District
 County of Warren
 Washington, New Jersey 07882

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

October 30, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 30, 2025



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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Honorable President and
 Members of the Board of Education
 Washington Township School District
 County of Warren
 Washington, New Jersey 07882

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

-Continued-

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

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

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

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

Report on Internal Control Over Compliance

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

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

-Continued-

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 30, 2025

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 30, 2025

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-3

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

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Treasury																
Passed-through State Dept. Community Affairs/ Board of Public Utilities:																
General Fund:																
Coronavirus State and Local Fiscal Recovery Fund	21.027	SLFRP1024	SSB-VEEVR-68547	\$ 163,403	7/1/23	6/30/24	\$ (184,875)	\$ 163,403		\$ 21,472						\$ 163,403
Total Coronavirus State and Local Fiscal Recovery Fund							(184,875)	-	163,403	-	21,472	-	-	-	-	163,403
Total General Fund							(184,875)	-	163,403	-	21,472	-	-	-	-	163,403
U.S. Department of Education Passed- Through State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A240030	ESEA24	50,144	7/1/24	6/30/25	(11,653)		55,592	\$ (51,906)		\$ (7,967)				50,144
Title II Part A	84.367	S367B240027	ESEA24	8,571	7/1/24	6/30/25			8,571	(8,571)						8,571
Title IV	84.424A	S424B240031	ESEA24	10,000	7/1/24	6/30/25			10,000	(10,000)						10,000
Total ESEA							(11,653)	-	74,163	(70,477)	-	-	(7,967)	-	-	68,715
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	FT5530-24	151,257	7/1/24	6/30/25	(20,446)		171,703	(151,257)			-			151,257
I.D.E.A. Part B, Basic Preschool	84.173	H173A240114	FT5530-24	11,242	7/1/24	6/30/25	-		11,242	(11,242)			-			11,242
Total Special Education Cluster							(20,446)	-	182,945	(162,499)	-	-	-	-	-	162,499
Rural Education Achievement Program	84.358A	S358B240030	S358A242741	43,051	7/1/24	9/30/25			43,051	(43,051)						43,051
21st Century Community Learning Centers-High Impact Tutoring	84.287C	S287C240030	N/A	82,175	3/13/24	12/31/24	(68,280)		66,625	(13,864)			(15,550)	\$ 31		82,144
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	266,893	3/13/20	9/30/24	(2,428)		2,428							266,893
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U240027	ARP	50,000	3/13/20	9/30/24	(45,123)		45,123							50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(31,630)		40,000	(8,370)						40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(5,665)		5,665							40,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U240027	ARP	45,000	3/13/20	9/30/24	(6,857)		6,857							45,000
American Rescue Plan-Preschool Facilities Expansion	84.425U	S425U240027	ARP	57,526	2/24/23	8/31/24	(13,837)		57,526	(32,414)	(9,341)		-		\$ 1,934	57,526
Total Education Stabilization Fund							(105,540)	-	157,599	(40,784)	(9,341)	-	-	-	1,934	499,419
Total Special Revenue Fund							(205,919)	-	524,383	(330,675)	(9,341)	-	(23,517)	31	1,934	855,828
U.S. Department of Agriculture Passed- Through State Dept. of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster:																
Food Distribution Program	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	1,169			(1,169)						1,169
Food Distribution Program	10.555	251NJ304N1199	N/A	10,637	7/1/24	6/30/25			10,637	(9,236)				1,401		9,236
School Breakfast Program	10.553	241NJ304N1199	N/A		7/1/23	6/30/24	(572)		572							
School Breakfast Program	10.553	251NJ304N1199	N/A	15,428	7/1/24	6/30/25			14,705	(15,428)			(723)			15,428
National School Lunch Program	10.555	241NJ304N1199	N/A		7/1/23	6/30/24	(2,023)		2,023							
National School Lunch Program	10.555	251NJ304N1199	N/A	58,919	7/1/24	6/30/25			56,056	(58,919)			(2,863)			58,919
P-EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	6/30/25			643	(643)			-			643
Local Food for Schools Cooperative Agreement Program	10.185	Not Available	N/A	1,559	7/1/24	6/30/25			1,559	(1,559)			-			1,559
Total Enterprise Fund							(1,426)	-	86,195	(86,954)	-	-	(3,586)	1,401	-	86,954
TOTAL FEDERAL ASSISTANCE							\$ (392,220)	-	\$ 773,981	\$ (417,629)	\$ 12,131	-	\$ (27,103)	\$ 1,432	\$ 1,934	\$ 1,106,185

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-4

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

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025			MEMO	
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.
State Department of Education														
General Fund:														
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 79,877			\$ 79,877	\$ (79,877)						\$ 7,857	\$ 79,877
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	258,367			258,367	(258,367)						25,415	258,367
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	351,820			351,820	(351,820)						34,608	351,820
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	49,011			49,011	(49,011)						4,821	49,011
Supplemental Stabilization Aid	25-100-034-5120-494	7/1/24-6/30/25	29,112			29,112	(29,112)							29,112
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	131,619			-	(131,619)			\$ (131,619)				131,619
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	152,949	\$ (152,949)		152,949	-							152,949
Non- Public Transportation Aid	25-100-034-5120-068	7/1/24-6/30/25	6,071			-	(6,071)			(6,071)				6,071
Non- Public Transportation Aid	24-100-034-5120-068	7/1/23-6/30/24	5,460	(5,460)		5,460	-							5,460
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	1,520,607			1,520,607	(1,520,607)							1,520,607
On Behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	444,323			444,323	(444,323)							444,323
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	848			848	(848)							848
Reimb. TPAF Soc.Secur.Contrib.	25-495-034-5094-003	7/1/24-6/30/25	316,988	(14,753)		316,267	(316,988)			(15,474)				316,988
Total General Fund				(173,162)		3,208,641	(3,188,643)			(153,164)			72,701	3,347,052
Special Revenue Fund:														
Preschool Education Aid	25-495-034-5120-086	7/1/24-6/30/25	361,536	3,036		361,536	(447,584)	\$ 90,384			\$ 7,372		36,150	447,584
DCA - Local Recreation Grant	2025-04960-0876-00	4/25/25-4/30/26	81,000			-	(81,000)		-	(81,000)				81,000
DCA - Local Recreation Grant	2024-04960-0876-00	4/25/24-4/30/26	65,000	(65,000)		65,000			-	-				
Funding for Optimal Comprehensive Universal Screeners (FOCUS)	N/A	6/1/25-5/31/26	2,140							(2,140)	2,140			
SDA Grant - Emergency and Capital Aid	25-100-034-5120-519	7/1/23-6/30/24	8,726	(8,726)		8,726			-	-				
Total Special Revenue Fund				(70,690)	-	435,262	(528,584)	90,384	-	(83,140)	9,512	-	36,150	528,584
State Department of Agriculture														
Enterprise Fund:														
Nat.School Lunch Prog.(State Share)	24-100-010-3350-023	7/1/23-6/30/24		(130)		130								
Nat.School Lunch Prog.(State Share)	25-100-010-3350-023	7/1/24-6/30/25	6,983			6,600	(6,983)			(383)				6,983
Total Enterprise Fund				(130)		6,730	(6,983)			(383)				6,983
Total State Financial Assistance														
				\$ (243,982)	-	\$ 3,650,633	\$ (3,724,210)	\$ 90,384	-	\$ (236,687)	9,512	-	\$ 108,851	\$ 3,882,619
Less On-behalf TPAF Pension Amounts:														
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	1,520,607				1,520,607							
On Behalf TPAF Pension PMR	25-495-034-5094-001	7/1/24-6/30/25	444,323				444,323							
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	848				848							
Total State Expenditures Subject to Major Program Determination								\$ (1,758,432)						

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

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and NJ OMB 15-08*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,488 for the general fund and \$100,460 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

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

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	(21,472)	\$ 3,194,131	\$ 3,172,659
Special Revenue Fund	\$ 391,834	467,468	859,302
Food Service Fund	<u>86,953</u>	<u>6,984</u>	<u>93,937</u>
Total Financial Assistance	<u>\$ 457,315</u>	<u>\$ 3,668,583</u>	<u>\$ 4,125,898</u>

NOTE 4. OTHER

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

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

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

___ Yes x No

___ Yes
x None
Reported

Noncompliance material to financial
statements noted?

___ Yes x No

Federal Awards

Not Applicable

Internal control over major programs:

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

___ Yes ___ No

___ Yes
___ None

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

N/A

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

___ Yes ___ No

Identification of major programs:

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

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

N/A

Auditee qualified as low-risk auditee?

___ Yes ___ No

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

State Financial Assistance Section

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

\$750,000

Auditee qualified as low-risk auditee?

x Yes No

Internal Control over major programs:

1) Material weakness(es) identified?

 Yes x No

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

 Yes x None

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

Unmodified

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

 Yes x No

Identification of major programs:

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

25-495-034-5122-078

Equalization Aid (State Aid Cluster)

25-495-034-5122-089

Special Education Aid (State Aid Cluster)

25-495-034-5122-084

Security Aid (State Aid Cluster)

25-100-034-5120-494

Supplemental Stabilization Aid

25-495-034-5120-014

Transportation Aid

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

Section II-Financial Statement Findings

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

Financial Statement N/A

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

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

Federal Awards N/A

State Awards N/A

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

STATUS OF PRIOR YEAR FINDINGS

N/A

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