

**READINGTON TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2025

**Responsibility of the Management of
Readington Township School District
Hunterdon County, New Jersey**



Certified Public Accountants, PC

**READINGTON TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

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P.O. Box 807 • 52 Readington Road • Whitehouse Station, NJ 08889 • (908)-534-2195 • (908) 349-3042 fax

December 1, 2025

Honorable President and
Members of the Board of Education
Readington Township Public Schools
P.O. Box 807
Whitehouse Station, New Jersey 08889

Dear Board Members:

The Annual Comprehensive Financial Report of the Readington Township Public School 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. To the best of our knowledge and belief, the data presented in the auditors' report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introduction, Financial, Statistical and Single Audit. The Introduction Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statements, Management's Discussion and Analysis and schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Readington Township Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board. All funds and account groups of the District are included in this report. The Readington 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 pre-K through 8. These include regular, as well as special education (pre-school through 8th grade) handicapped youngsters. The District completed the 2024-2025 fiscal year with an in-district enrollment of 1,403 students, which is 3.2% less than the previous year's enrollment.

The following chart details the changes in the student enrollment of the District for the past ten fiscal years. These figures do not include those students sent out of district for special education placements.

Fiscal Year	Enrollment in District	% Change
2015-2016	1695	-3.2%
2016-2017	1620	-4.4%
2017-2018	1528	-6.0%
2018-2019	1509	-1.2%
2019-2020	1490	-1.3%
2020-2021	1431	-4.0%
2021-2022	1451	+1.4%
2022-2023	1426	-1.7%
2023-2024	1450	+1.7%
2024-2025	1403	-3.2%

2. ECONOMIC CONDITION AND OUTLOOK:

The District has seen decreasing enrollments in prior years as confirmed with the latest demographic projections completed in 2015. However, migration to suburban/rural areas from urban areas has increased in recent years as well as new housing developments in the township were completed and are anticipated in the coming years. The district started free preschool in 2024 for 3- and 4-year old children, which has resulted in a relocation of families to the area due to lower costs of daycare. This has resulted in a recent influx in enrollment consistent when considering preschool which is not included in the figures in the chart above. The higher demand for housing in the district has led to an increase in valuation assessments in the township, both in terms of home owners and corporation, following a recent reassessment. The anticipation of new residential housing construction within township boundaries has stabilized enrollment after years of decline.

The District’s enrollment projections were developed by an independent demographer. All schools currently have sufficient capacity to house the District’s students.

3. MAJOR INITIATIVES:

The attainment of proficiency in state standards continues to be a primary focus of the District, especially closing any learning gaps as the result of the pandemic through increased student interventions. Student achievement is consistently rated above state and county average performance, with achievement in English/Language Arts being especially strong. Several of the surrounding districts have visited Readington Township Schools to attend professional development hosted by our district staff, observe literacy instruction and discuss best practices with teachers.

Technology availability and bandwidth has been exemplary, with a complete one-to-one initiative in all K-8 grades. Preschool-age children have access to iPads. Student achievement results have been strong and compare favorably with peer districts and state averages.

Strategic Planning Goals established in January 2020 to guide the District’s leadership in setting annual ambitious objectives for student achievement, fiscal responsibility, and teacher leadership. District initiatives for 2020-25 include:

- **Inquisitive Learning:** Create and establish an inquiry-based framework that values an interest-driven learning environment. Learners will, individually and collaboratively, focus on identifying, analyzing, and solving problems as inquisitive members of their community.

- **Social Awareness:** Our learners will feel connected, valued, and secure in a learning environment cultivated by a shared sense of community. Every individual will develop skills that promote an awareness of self and others, including the ability to understand the impact of their decisions.
- **Partnerships:** Establish partnerships that foster meaningful educational opportunities on local, regional, and global scales. Prepare all learners to become engaged and productive citizens through service to others, collaboration, and real-world connections.

In addition to furthering the already-rich instructional environment in Readington's classrooms, funding has been set aside for facility improvements. The District installed a new roof and HVAC at the middle school including a new nurse, school counselor and main office suite. Further, the district renovated several art rooms and completed numerous backend IT projects to improve district communications and internet, critical for student learning in the 21st century. These projects were accomplished through reserve funding without directly impacting the tax levy. More projects are planned for the summer of 2026 as the taxpayers recently approved a bond referendum for \$38 million dollars in November 2025 for 83 projects district-wide.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (G.A.A.P.). 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 is also 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, and also to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the Financial Section.

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7. 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.

8. DEBT ADMINISTRATION:

In October of 1996, the District passed a \$12,000,000 bond referendum for construction of a new intermediate school, Holland Brook School. The project was eligible for state funding through a grant from the SCC/SDA. Additionally, the referendum included Americans with Disabilities Act (A.D.A.) improvements. The total cost of the referendum was \$12,800,000, with the additional \$800,000 funded on the interest earnings received on the investment of the \$12,000,000. The bonds were partially refinanced in 2004. As of June 30, 2025, \$1,425,000 remained in principal to be paid, with the final payment to be made on January 1, 2027.

In 2002, the District passed a \$27,790,000 bond referendum for renovations and construction at Readington Middle School, Holland Brook School, Three Bridges School, and Whitehouse School. This project also qualified for state funding through an SCC/SDA grant. There was a partial refunding of the 2002 Bond Series in December of 2006 of \$10,000,000, and another partial refunding of \$5,415,000 in November, 2010, with an additional partial refunding in 2017 of the December 2006 Bond Series originally in aggregate of \$10,000,000. As of June 30, 2025, \$2,455,000 remained in principal to be paid, with the final payment to be made on July 15, 2026.

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 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

The District utilizes Citizens Bank as its main depository for District funds. The Business Administrator utilizes the investment vehicles available through Citizens Bank. This program meets the GUDPA requirements. Most of the District's funds are invested in interest bearing accounts, allowing the district to maximize interest and maintain the liquidity needed to meet its obligations.

10. RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability and comprehensive collision, hazard and theft insurance on property and contents and fidelity bonds through its membership in the School Alliance Insurance Fund.

11. OTHER INFORMATION:

State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of BKC, CPAs, PC were selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the general purpose financial statements combining individual fund statements and schedules is included in the Financial Section of the report. The auditors' reports related specifically to the single audit are included in the Single Audit Section of this report.

12. ACKNOWLEDGEMENTS:

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

Respectfully submitted,



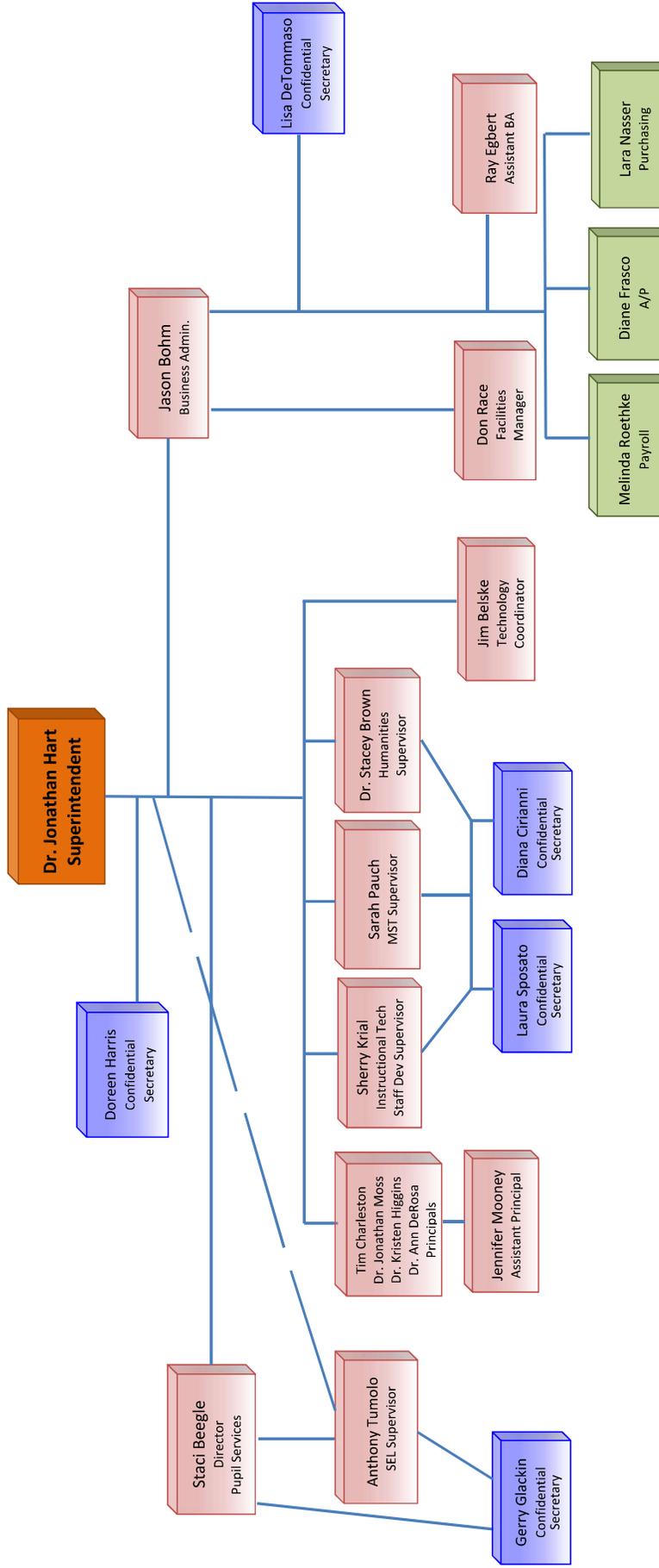
Jonathan Hart, Ph.D.
Superintendent of Schools



Jason M. Bohm, CPA
School Business Administrator/Board Secretary

Readington Township Board Office Organizational Chart

2024-2025 School Year



2024-2025 School Year
 10-30-2024 – Reviewed by Personnel Committee
 10-30-2024 – Revised
 2024-4

READINGTON TOWNSHIP BOARD OF EDUCATION
Roster of Officials
June 30, 2025

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expiration</u>
David Rizza	President	2028
Ellen DePinto	Vice President	2027
Pamela Cassidy		2028
Elizabeth Fiore		2027
Paulo Lopes		2027
Michelle Mencer		2026
Richard Pieros		2026
Linda Rad		2028
Justina Ryan		2026

<u>Other Officials</u>	<u>Title</u>
Dr. Jonathan Hart	Superintendent of Schools
Jason M. Bohm	Board Secretary/Business Administrator

READINGTON TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors
June 30, 2025

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

SOLICITOR

Methfessel & Werbel, P.C.
2025 Lincoln Highway, Suite 200
Edison, NJ 08818

OFFICIAL DEPOSITORY

Citizens Bank
3563 US Highway 22 North
Whitehouse Station, NJ 08899

ARCHITECT

Settembrino Architects
37 East Washington Avenue
Atlantic Highlands, NJ 07716



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
Readington Township School District
Whitehouse Station, New Jersey

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Readington Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

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

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Auditors' 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 auditors' report that includes our opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.
- 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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion 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 December 1, 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

December 1, 2025
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

READINGTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The Readington Township School District's (the District) Management's discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2025, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- In total, net position increased \$976,032, which represents a 2.61% increase from fiscal year 2024.
- General revenues accounted for \$50,322,171 in revenue or 90.42% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,328,892 or 9.58% to total revenues of \$55,651,063.
- Total assets of governmental activities decreased by \$1,444,464 as cash and cash equivalents decreased by \$4,622,953, receivables and other current assets decreased by \$4,006 and capital assets increased by \$3,182,495.
- The School District had \$54,675,031 in expenses; only \$5,328,892 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$50,322,171 were adequate to provide for these programs.
- Among major funds, the general fund had \$45,284,860 in revenues, \$49,477,976 in expenditures and \$235,875 in other financing uses. The General fund's balance decreased \$4,428,991 from fiscal year 2024.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Readington 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 Readington Township School District, the General fund is by far the most significant fund.

READINGTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion & 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 fiscal year 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 position 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. No financial 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 reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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, capital project fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted into 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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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

Table 1 provides a summary of the District's net position at June 30, 2025 with comparison to June 30, 2024.

Table 1
Net Position

	06/30/25	06/30/24	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 5,585,090	\$ 10,364,956	\$ (4,779,866)	-46.12%
Capital assets	44,847,212	41,527,045	3,320,167	8.00%
Total assets	<u>50,432,302</u>	<u>51,892,001</u>	<u>(1,459,699)</u>	<u>-2.81%</u>
Deferred outflows	1,371,994	1,708,008	(336,014)	-19.67%
Liabilities				
Long-term liabilities	11,324,665	14,123,620	(2,798,955)	-19.82%
Other liabilities	1,169,955	1,218,268	(48,313)	-3.97%
Total liabilities	<u>12,494,620</u>	<u>15,341,888</u>	<u>(2,847,268)</u>	<u>-18.56%</u>
Deferred inflows	951,761	876,238	75,523	8.62%
Net position				
Net investment in capital assets	40,967,212	35,807,045	5,160,167	14.41%
Restricted	1,299,859	4,424,114	(3,124,255)	-70.62%
Unrestricted	(3,909,156)	(2,849,276)	(1,059,880)	37.20%
Total net position	<u>\$ 38,357,915</u>	<u>\$ 37,381,883</u>	<u>\$ 976,032</u>	<u>2.61%</u>

Total assets decreased by \$1,459,699. Cash and cash equivalents decreased by \$4,780,743, receivables and other assets increased by \$877, and capital assets increased by \$3,320,167. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District decreased by \$1,059,880. The negative balance in unrestricted net position is the result of reporting requirements of the State's net pension liability. This is a requirement under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

READINGTON TOWNSHIP SCHOOL DISTRICT
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Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2025 with comparisons to fiscal year ending June 30, 2024.

Table 2
Changes in Net Position

	06/30/25	06/30/24	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 862,054	\$ 852,164	\$ 9,890	1.16%
Operating grants	4,439,791	2,247,384	2,192,407	97.55%
Capital grants	27,047	178,628	(151,581)	-84.86%
General revenues				
Property taxes	35,275,433	34,363,747	911,686	2.65%
Unrestricted grants	14,925,231	15,535,039	(609,808)	-3.93%
Other	121,507	307,686	(186,179)	-60.51%
Total revenues	<u>55,651,063</u>	<u>53,484,648</u>	<u>2,166,415</u>	<u>4.05%</u>
Program expenses				
Instruction				
Regular	19,976,806	19,757,066	219,740	1.11%
Special	7,536,038	7,512,039	23,999	0.32%
Other	2,423,169	2,684,880	(261,711)	-9.75%
Support services				
Tuition	751,687	678,157	73,530	10.84%
Student & instructional staff	11,957,093	9,615,273	2,341,820	24.36%
General & business administration	1,845,009	1,771,603	73,406	4.14%
School administration	2,722,673	2,732,575	(9,902)	-0.36%
Maintenance	3,646,397	3,591,150	55,247	1.54%
Transportation	2,792,404	2,141,936	650,468	30.37%
Food service	870,361	821,335	49,026	5.97%
Summer programs	43,180	20,369	22,811	111.99%
Transfers to charter schools	18,113	-	18,113	*
Interest on long-term debt	92,101	171,169	(79,068)	-46.19%
Total expenses	<u>54,675,031</u>	<u>51,497,552</u>	<u>3,177,479</u>	<u>6.17%</u>
Change net position	<u>\$ 976,032</u>	<u>\$ 1,987,096</u>	<u>\$ (1,011,064)</u>	<u>-50.88%</u>

* Undefined

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Governmental Activities

The Readington Township Board of Education has their annual election in November, thereby requiring voter budget approval only if the tax levy exceeds state mandated cap. Property taxes made up for 64.42% of revenues for governmental activities for the Readington Township School District for fiscal year 2025.

The dependence upon tax revenues is apparent. The community, as a whole, is the primary support for the Readington Township School District. Instruction comprises 54.75% of district expenses. Support services expenses make up 45.05% of the expenses, transfers to charter schools make up 0.03% and interest expense comprises 0.17% of the expenses.

The Statement of Activities shows the cost of the 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. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 provides a summary of the School District's cost of governmental and business type services in fiscal year ending June 30, 2025 with comparisons to fiscal year ending June 30, 2024.

Table 3
Cost of Governmental and Business Type Services

	Total Cost of Services		Net Cost of Services	
	06/30/25	06/30/24	06/30/25	06/30/24
Instruction	\$ 29,936,013	\$ 29,953,985	\$ 28,855,549	\$ 29,168,473
Support services				
Tuition	751,687	678,157	398,287	290,883
Student & instructional	11,957,093	9,615,273	9,017,448	8,548,689
General & business	1,845,009	1,771,603	1,844,062	1,765,351
School administration	2,722,673	2,732,575	2,721,023	2,684,735
Plant operations	3,646,397	3,591,150	3,600,591	3,520,329
Pupil transportation	2,792,404	2,141,936	2,771,303	2,111,082
Food service	870,361	821,335	6,502	(35,759)
Summer program	43,180	20,369	21,160	(5,576)
Transfer to charter schools	18,113	-	18,113	-
Interest on long-term debt	92,101	171,169	92,101	171,169
Total expenses	<u>\$ 54,675,031</u>	<u>\$ 51,497,552</u>	<u>\$ 49,346,139</u>	<u>\$ 48,219,376</u>

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

Pupil and instructional staff costs include the activities involved with assisting staff with content and the process of teaching students.

READINGTON TOWNSHIP SCHOOL DISTRICT
Management's Discussion & Analysis
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General administration, school administration and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facility 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 prescribed by state law.

Interest on long-term debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$51,709,376 and expenditures of \$56,316,496. The net change in fund balance for the year of \$4,607,120 was most significant in the general fund with a decrease of \$4,428,991.

General Fund Budgetary Highlights

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

During the course of the fiscal year 2025, 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 and provide flexibility for program management.

For the general fund, budgeted revenues were \$36,761,005, which was \$624,758 above original budgeted estimates of \$36,136,247. This difference was due primarily to realized miscellaneous revenues and state aid in excess of original budgets.

The general fund revenues and other financing sources of the School District were less than expenditures and other financing uses by \$4,389,865.

READINGTON TOWNSHIP SCHOOL DISTRICT
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Capital Assets

At the end of fiscal year 2025, the District had \$44,847,212 invested in land, buildings, furniture, equipment, and vehicles. Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2025 with comparisons to June 30, 2024.

Table 4
Capital Assets at Year-End
(Net of Depreciation)

	06/30/25	06/30/24	Variance	
			Dollars	%
Land	\$ 412,362	\$ 412,362	\$ -	0.00%
Construction in Progress	2,159,552	391,960	1,767,592	450.96%
Land Improvements	2,277,567	1,869,330	408,237	21.84%
Buildings & Improvements	36,320,639	36,358,127	(37,488)	-0.10%
Machinery & Equipment	1,866,553	1,379,138	487,415	35.34%
Vehicles	1,810,539	1,116,128	694,411	62.22%
Total	<u>\$ 44,847,212</u>	<u>\$ 41,527,045</u>	<u>\$ 3,320,167</u>	8.00%

Capital additions were more than depreciation expense and asset disposals in the current fiscal year by \$3,320,167. Additions to capital assets resulted primarily from expenses related to building improvements, furniture and equipment in fiscal year 2025.

Liabilities and Long-term Debt

At June 30, 2025, the School District had \$11,324,665 in long-term liabilities. At June 30, 2025, the School District's overall legal debt limit was \$123,577,376 and the legal borrowing margin was \$119,697,376.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2025 with comparisons to June 30, 2024.

Table 5
Long-Term Liabilities at Year-End

	06/30/25	06/30/24	Variance	
			Dollars	%
General obligation bonds	\$ 3,880,000	\$ 5,720,000	\$ (1,840,000)	-32.17%
Net pension liability	6,870,992	7,658,160	(787,168)	-10.28%
Unamortized bond premium	167,406	328,404	(160,998)	-49.02%
Compensated absences	406,267	417,056	(10,789)	-2.59%
Total	<u>\$ 11,324,665</u>	<u>\$ 14,123,620</u>	<u>\$ (2,798,955)</u>	-19.82%

READINGTON TOWNSHIP SCHOOL DISTRICT
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Economic Factors and Next Year's Budgets and Rates

The District continues its need to rely upon local taxes as its main source of funding. Therefore, especially in consideration of current economic conditions, the Board of Education has proactively sought to control budget expenses to minimize the impact on the local tax levy. Cost savings measures employed in recent years include redistribution of staffing levels to reflect stagnant or declining enrollments, expansion of shared services, employing transportation and sustainability practices in all aspects of school operations. The District has built in a contingency for grade-level teachers due to new housing developments in the township, reallocation of certain positions to better meet student needs, additional professional development and training for mental health and social emotional learning, and expansion of staffing needs and costs relating to special needs students based on individualized education programs. The District formulated its budget to implement action plans developed as a result of the Strategic Plan developed in January 2020.

The Board of Education developed a budget that was fiscally responsible that addressed the educational needs of our students. The District continues to diligently pursue and maintain a balanced class size with scheduling efficiencies, enrich students' academic experiences, and continue to implement the district's Strategic Plan. The District's budget provided for an expansion of a 1:1 technology initiative for students, and included several safety and facility enhancements. The District achieved this while facing increasing mandates and regulations promulgated by the State Legislature and State Department of Education.

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 any questions about this report or need additional information, contact the School Business Administrator/Board Secretary at Readington Township Board of Education, P.O. Box 807, 52 Readington Road, Whitehouse Station, New Jersey 08889.

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,234,672	\$ 162,457	\$ 3,397,129
Due from other funds	-	643	643
Receivables, net	885,944	18,587	904,531
Inventory	-	10,176	10,176
Restricted assets			
Capital reserve account - cash	1,124,031	-	1,124,031
Emergency reserve account - cash	1,098	-	1,098
Maintenance reserve account - cash	57,293	-	57,293
Scholarships - cash	5,165	-	5,165
Student activities - cash	85,024	-	85,024
Capital assets, net			
Land	412,362	-	412,362
Construction in progress	2,159,552	-	2,159,552
Other capital assets, net of depreciation	41,887,445	387,853	42,275,298
Total assets	49,852,586	579,716	50,432,302
Deferred outflows of resources			
Deferred amount on pension activity	1,371,994	-	1,371,994
Liabilities			
Accounts payable	201,788	58,597	260,385
Accrued interest	80,760	-	80,760
Due to other funds	643	-	643
Payroll deductions and withholdings payable	633,486	-	633,486
Unearned revenues	145,937	48,744	194,681
Long-term liabilities			
Due within one year	2,086,003	-	2,086,003
Due beyond one year	9,238,662	-	9,238,662
Total liabilities	12,387,279	107,341	12,494,620
Deferred inflows of resources			
Deferred amount on pension liability	951,761	-	951,761

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 40,579,359	\$ 387,853	\$ 40,967,212
Restricted for			
Capital reserve fund	1,124,031	-	1,124,031
Emergency reserve fund	1,098	-	1,098
Maintenance reserve fund	57,293	-	57,293
Capital projects fund	27,248	-	27,248
Scholarships	5,165	-	5,165
Student activities	85,024	-	85,024
Unrestricted	(3,993,678)	84,522	(3,909,156)
Total net position	<u>\$ 37,885,540</u>	<u>\$ 472,375</u>	<u>\$ 38,357,915</u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 10,951,747	\$ 9,025,059	\$ 63,465	\$ 889,616	\$ 10,954	\$ (19,012,771)	\$ -	\$ (19,012,771)
Special education	4,134,290	3,401,748	-	43,384	4,760	(7,487,894)	-	(7,487,894)
Other special instruction	1,012,298	887,967	-	66,878	1,109	(1,832,278)	-	(1,832,278)
Other instruction	280,616	242,288	-	-	298	(522,606)	-	(522,606)
Support services								
Tuition	751,687	-	-	353,400	-	(398,287)	-	(398,287)
Students and instruction related services	7,877,772	4,079,321	188,308	2,746,090	5,247	(9,017,448)	-	(9,017,448)
General and business administration services	1,176,552	668,457	-	-	947	(1,844,062)	-	(1,844,062)
School administration services	1,558,766	1,163,907	-	-	1,650	(2,721,023)	-	(2,721,023)
Plant operations and maintenance	3,216,904	429,493	-	44,995	811	(3,600,591)	-	(3,600,591)
Pupil transportation	1,887,295	905,109	17,920	1,910	1,271	(2,771,303)	-	(2,771,303)
Transfer of funds to charter schools	18,113	-	-	-	-	(18,113)	-	(18,113)
Interest on long-term debt	92,101	-	-	-	-	(92,101)	-	(92,101)
Total governmental activities	<u>32,958,141</u>	<u>20,803,349</u>	<u>269,693</u>	<u>4,146,273</u>	<u>27,047</u>	<u>(49,318,477)</u>	<u>-</u>	<u>(49,318,477)</u>
Business-type activities								
Food service	870,361	-	570,341	293,518	-	-	(6,502)	(6,502)
Summer enrichment	43,180	-	22,020	-	-	-	(21,160)	(21,160)
Total business-type activities	<u>913,541</u>	<u>-</u>	<u>592,361</u>	<u>293,518</u>	<u>-</u>	<u>-</u>	<u>(27,662)</u>	<u>(27,662)</u>
Total primary government	<u>\$ 33,871,682</u>	<u>\$ 20,803,349</u>	<u>\$ 862,054</u>	<u>\$ 4,439,791</u>	<u>\$ 27,047</u>	<u>(49,318,477)</u>	<u>(27,662)</u>	<u>(49,346,139)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						33,219,691	-	33,219,691
Property taxes levied for debt service						2,055,742	-	2,055,742
Federal and state aid not restricted						14,925,231	-	14,925,231
Investment earnings						87,221	2,653	89,874
Miscellaneous income						30,985	648	31,633
Total general revenues and special items						<u>50,318,870</u>	<u>3,301</u>	<u>50,322,171</u>
Change in net position						1,000,393	(24,361)	976,032
Net position - beginning						36,885,147	496,736	37,381,883
Net position - ending						<u>\$ 37,885,540</u>	<u>\$ 472,375</u>	<u>\$ 38,357,915</u>

See accompanying notes to the financial statements.

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,234,672	\$ -	\$ -	\$ -	\$ 3,234,672
Due from other funds	374,155	-	-	-	374,155
Receivables from other governments					
State	666,542	-	205,675	-	872,217
Federal	-	2,129	-	-	2,129
Other accounts receivable	7,146	4,452	-	-	11,598
Restricted cash and equivalents	1,182,422	90,189	-	-	1,272,611
Total assets	\$ 5,464,937	\$ 96,770	\$ 205,675	\$ -	\$ 5,767,382
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 643	\$ 195,728	\$ 178,427	\$ -	\$ 374,798
Accounts payable	201,788	-	-	-	201,788
Payroll deductions and withholdings payable	633,486	-	-	-	633,486
Unearned revenues	-	145,937	-	-	145,937
Total liabilities	835,917	341,665	178,427	-	1,356,009

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 785,000	\$ -	\$ -	\$ -	\$ 785,000
Excess surplus	785,000	-	-	-	785,000
Capital reserve account	1,124,031	-	-	-	1,124,031
Emergency reserve account	1,098	-	-	-	1,098
Maintenance reserve account	57,293	-	-	-	57,293
Capital projects fund	-	-	27,248	-	27,248
Scholarships	-	5,165	-	-	5,165
Student activities	-	85,024	-	-	85,024
Committed fund balance					
Year-end encumbrances	177,658	-	-	-	177,658
Assigned fund balance					
Designated for subsequent year's expenditures	544,067	-	-	-	544,067
Unassigned fund balance	1,154,873	(335,084)	-	-	819,789
Total fund balances	<u>4,629,020</u>	<u>(244,895)</u>	<u>27,248</u>	<u>-</u>	<u>4,411,373</u>
Total liabilities and fund balances	<u>\$ 5,464,937</u>	<u>\$ 96,770</u>	<u>\$ 205,675</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds.	44,459,359
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	420,233
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.	(11,324,665)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(80,760)</u>
Total net position of governmental activities	<u>\$ 37,885,540</u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 33,219,691	\$ -	\$ -	\$ 2,055,742	\$ 35,275,433
Tuition fees	18,000	-	-	-	18,000
Interest on investments	87,221	-	-	-	87,221
Local contributions	-	197,761	-	-	197,761
Miscellaneous	30,985	-	-	-	30,985
Rents and royalties	23,415	-	-	-	23,415
Total local sources	33,379,312	197,761	-	2,055,742	35,632,815
State sources	11,892,449	3,344,070	27,047	7,146	15,270,712
Federal sources	13,099	792,750	-	-	805,849
Total revenues	45,284,860	4,334,581	27,047	2,062,888	51,709,376
Expenditures					
Current					
Instructional					
Regular instruction	10,160,701	768,996	-	-	10,929,697
Special education instruction	4,090,906	43,384	-	-	4,134,290
Other special instruction	945,420	66,878	-	-	1,012,298
Other instruction	280,616	-	-	-	280,616
Support service and undistributed costs					
Tuition	398,287	353,400	-	-	751,687
Student and instruction related services	4,988,361	2,889,411	-	-	7,877,772
General and business administrative services	1,176,552	-	-	-	1,176,552
School administrative services	1,558,766	-	-	-	1,558,766
Plant operations and maintenance	3,166,378	50,526	-	-	3,216,904
Pupil transportation	1,867,230	2,145	-	-	1,869,375
Unallocated benefits	15,831,717	247,052	-	-	16,078,769

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (continued)					
Capital outlay	\$ 4,927,118	\$ 278,215	\$ 75,625	\$ -	\$ 5,280,958
Transfer of funds to charter schools	18,113	-	-	-	18,113
Debt service					
Principal	-	-	-	1,840,000	1,840,000
Interest and other charges	67,811	-	-	222,888	290,699
Total expenditures	<u>49,477,976</u>	<u>4,700,007</u>	<u>75,625</u>	<u>2,062,888</u>	<u>56,316,496</u>
Excess (deficiency) of revenues over (under) expenditures	(4,193,116)	(365,426)	(48,578)	-	(4,607,120)
Other financing sources (uses)					
Transfers in (out)	<u>(235,875)</u>	<u>235,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(235,875)</u>	<u>235,875</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,428,991)	(129,551)	(48,578)	-	(4,607,120)
Fund balances, July 1	<u>9,058,011</u>	<u>(115,344)</u>	<u>75,826</u>	<u>-</u>	<u>9,018,493</u>
Fund balances, June 30	<u>\$ 4,629,020</u>	<u>\$ (244,895)</u>	<u>\$ 27,248</u>	<u>\$ -</u>	<u>\$ 4,411,373</u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Total net changes in fund balances - governmental fund (from B-2) \$ (4,607,120)

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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 5,280,958	
Depreciation expense	<u>(2,098,463)</u>	3,182,495

Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Bond principal payments	1,840,000
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Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium	160,998
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See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2025

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	\$ 375,631
In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	37,600
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>10,789</u>
Change in net position of governmental activities	<u><u>\$ 1,000,393</u></u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
For the Fiscal Year Ended June 30, 2025

	Food Service Fund	Summer Enrichment Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 118,486	\$ 43,971	\$ 162,457
Receivables from other governments			
State	2,116	-	2,116
Federal	16,471	-	16,471
Due from other funds	643	-	643
Inventory	10,176	-	10,176
Total current assets	<u>147,892</u>	<u>43,971</u>	<u>191,863</u>
Noncurrent assets			
Capital assets	619,745	-	619,745
Less: accumulated depreciation	231,892	-	231,892
Total noncurrent assets	<u>387,853</u>	<u>-</u>	<u>387,853</u>
Total assets	<u>535,745</u>	<u>43,971</u>	<u>579,716</u>
Liabilities			
Current liabilities			
Accounts payable	58,597	-	58,597
Unearned revenues	-	32,695	32,695
Unearned revenues - commodities	1,763	-	1,763
Unearned revenues - prepaid sales	14,286	-	14,286
Total liabilities	<u>74,646</u>	<u>32,695</u>	<u>107,341</u>
Net position			
Net investment in capital assets	387,853	-	387,853
Unrestricted	73,246	11,276	84,522
Total net position	<u>\$ 461,099</u>	<u>\$ 11,276</u>	<u>\$ 472,375</u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	Food Service Fund	Summer Enrichment Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 360,070	\$ -	\$ 360,070
Daily sales - non-reimbursable programs	210,271	-	210,271
Summer program fees	-	22,020	22,020
Total operating revenues	<u>570,341</u>	<u>22,020</u>	<u>592,361</u>
Operating expenses			
Cost of sales - reimbursable programs	230,872	-	230,872
Cost of sales - non-reimbursable programs	79,765	-	79,765
Commodity food costs	76,934	-	76,934
Salaries	301,502	19,821	321,323
Employee benefits	40,791	1,635	42,426
Purchased professional services	10,200	-	10,200
Purchased property services	16,163	-	16,163
Other purchased services			
Insurance	48,743	-	48,743
Management fee	18,640	-	18,640
General supplies	11,913	21,724	33,637
Depreciation	34,838	-	34,838
Total operating expenses	<u>870,361</u>	<u>43,180</u>	<u>913,541</u>
Operating income (loss)	<u>(300,020)</u>	<u>(21,160)</u>	<u>(321,180)</u>
Non-operating revenues (expenses)			
State sources			
State school breakfast program	22,659	-	22,659
State school lunch program	1,734	-	1,734
Federal sources			
National school breakfast program			
Cash assistance	16,764	-	16,764
National school lunch program			
Cash assistance	174,784	-	174,784
Non-cash assistance (commodities)	76,934	-	76,934
P-EBT Administrative	643	-	643
Miscellaneous	648	-	648
Interest earned on investments	2,653	-	2,653
Total non-operating revenues (expenses)	<u>296,819</u>	<u>-</u>	<u>296,819</u>
Change in net position	(3,201)	(21,160)	(24,361)
Net position, beginning	<u>464,300</u>	<u>32,436</u>	<u>496,736</u>
Net position, ending	<u>\$ 461,099</u>	<u>\$ 11,276</u>	<u>\$ 472,375</u>

See accompanying notes to the financial statements.

READINGTON TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

	Food Service Fund	Summer Enrichment Fund	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 572,871	\$ 32,695	\$ 605,566
Payments to employees	(28,104)	(19,821)	(47,925)
Payments for employee benefits	(2,319)	(1,635)	(3,954)
Payments to Food Service Management Company	(699,823)	-	(699,823)
Payments to vendors (net)	(32,929)	(21,724)	(54,653)
Net cash provided by (used for) operating activities	<u>(190,304)</u>	<u>(10,485)</u>	<u>(200,789)</u>
Cash flows from non-capital financing activities			
State sources	23,312	-	23,312
Federal sources	188,896	-	188,896
Miscellaneous	648	-	648
Net cash provided by (used for) noncapital financing activities	<u>212,856</u>	<u>-</u>	<u>212,856</u>
Cash flows from capital financing activities			
Acquisition of equipment	(172,510)	-	(172,510)
Net cash provided by (used for) capital financing activities	<u>(172,510)</u>	<u>-</u>	<u>(172,510)</u>
Cash flows from investing activities			
Interest earned on investments	2,653	-	2,653
Net cash provided by (used for) investing activities	<u>2,653</u>	<u>-</u>	<u>2,653</u>
Net increase (decrease) in cash and cash equivalents	(147,305)	(10,485)	(157,790)
Cash and cash equivalents, beginning	265,791	54,456	320,247
Cash and cash equivalents, ending	<u>\$ 118,486</u>	<u>\$ 43,971</u>	<u>\$ 162,457</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (300,020)	\$ (21,160)	\$ (321,180)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	34,838	-	34,838
Federal food donation program	76,934	-	76,934
(Increase) decrease in inventory	(507)	-	(507)
Increase (decrease) in accounts payable	(4,052)	-	(4,052)
Increase (decrease) in unearned revenues	2,503	10,675	13,178
Net cash provided by (used for) operating activities	<u>\$ (190,304)</u>	<u>\$ (10,485)</u>	<u>\$ (200,789)</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Readington Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2025 of 1,403 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:

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for payroll withholdings for employee salary deductions are included in the general fund.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private-purpose scholarship accounts are utilized for scholarship awards to qualifying students.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)
C. Measurement focus, basis of accounting, and financial statement presentation (continued)
Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise funds are comprised of the food service fund and summer enrichment fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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.

E. Encumbrances

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

G. Tuition payable

Tuition charges for the fiscal year 2024-2025 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, 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. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	8

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 101, *Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. 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 Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - 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.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

When expenditure is incurred for purposes in which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension Contributions, reimbursed TPAF Social Security Contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2025, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2025, the District’s bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	4,518,307
Total bank balances	\$ 4,768,307

Deposits at June 30, 2025 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 3,234,672
Enterprise funds, Statement of Net Position	B-4	162,457
Restricted cash		
Governmental funds, Balance Sheet	B-1	1,272,611
Total cash		\$ 4,669,740

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 412,362	\$ -	\$ -	\$ 412,362
Construction in progress	391,960	2,712,393	944,801	2,159,552
Total	<u>804,322</u>	<u>2,712,393</u>	<u>944,801</u>	<u>2,571,914</u>
Capital assets, being depreciated				
Land improvements	4,388,541	567,979	-	4,956,520
Building & improvements	61,786,696	1,369,620	-	63,156,316
Furniture & equipment	3,938,541	593,010	-	4,531,551
Vehicles	3,045,659	982,757	-	4,028,416
Total	<u>73,159,437</u>	<u>3,513,366</u>	<u>-</u>	<u>76,672,803</u>
Accumulated depreciation				
Land improvements	2,519,211	159,742	-	2,678,953
Building & improvements	25,428,569	1,407,108	-	26,835,677
Furniture & equipment	2,809,584	243,267	-	3,052,851
Vehicles	1,929,531	288,346	-	2,217,877
Total	<u>32,686,895</u>	<u>2,098,463</u>	<u>-</u>	<u>34,785,358</u>
Total capital assets, being depreciated, net	<u>40,472,542</u>	<u>1,414,903</u>	<u>-</u>	<u>41,887,445</u>
Transfers	<u>-</u>	<u>(944,801)</u>	<u>(944,801)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 41,276,864</u>	<u>\$ 3,182,495</u>	<u>\$ -</u>	<u>\$ 44,459,359</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 454,239	\$ 172,510	\$ 7,004	\$ 619,745
Less: accumulated depreciation	204,058	34,838	7,004	231,892
Business type activities capital assets, net	<u>\$ 250,181</u>	<u>\$ 137,672</u>	<u>\$ -</u>	<u>\$ 387,853</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction		
Regular		\$ 728,928
Special education		259,672
Other special instruction		61,958
Other instruction		20,703
Support services		
Student & instruction		507,695
General & business administration		78,159
School administration		108,860
Plant maintenance		52,541
Transportation		279,947
Total depreciation expense, governmental activities		<u>\$ 2,098,463</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 5,720,000	\$ -	\$ 1,840,000	\$ 3,880,000	\$ 1,925,000
Unamortized bond premium	328,404	-	160,998	167,406	161,003
PERS net pension liability	7,658,160	-	787,168	6,870,992	-
Compensated absences payable	417,056	-	10,789	406,267	-
Total governmental activities long-term liabilities	<u>\$ 14,123,620</u>	<u>\$ -</u>	<u>\$ 2,798,955</u>	<u>\$ 11,324,665</u>	<u>\$ 2,086,003</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's general fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2025, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	\$ 1,925,000	\$ 141,125	\$ 2,066,125
2027	1,955,000	56,125	2,011,125
Total	<u>\$ 3,880,000</u>	<u>\$ 197,250</u>	<u>\$ 4,077,250</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2025, with their outstanding balances are comprised of the following individual issues:

\$7,905,000 - 2013 refunding school bonds, interest at 3.00% to 4.00%, due in annual installments beginning January 1, 2014 to January 1, 2027.	\$ 1,425,000
\$8,495,000 - 2016 refunding school bonds, interest at 2.00% to 5.00%, due in annual installments beginning July 15, 2018 to July 15, 2026.	<u>2,455,000</u>
Total general obligation bonds	<u>\$ 3,880,000</u>

The general obligation bonded debt of the District is limited by State Law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2025 is \$123,577,376. General obligation debt at June 30, 2025 is \$3,880,000, resulting in a legal debt margin of \$119,697,376.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS)

Plan description

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

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 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense (benefit). The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense (benefit) excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and nonemployer Allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer. The allocation percentages for each group as of June 30, 2024 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024 measurement date.

Contributions

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

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

The District's contractually required contribution rate for the year ended June 30, 2025 was 15.34% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Special funding situation

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

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$22,152 to the PERS for normal pension benefits on behalf of the District.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
A. Public Employees' Retirement System (PERS) (continued)
Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2024:

Net pension liability	\$ 6,870,992
Proportionate share	0.0505664473%
 Plan fiduciary net position as a percentage of the total pension liability	 68.22%

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

Inflation rate	
Price	2.75%
Wage	3.25%
 Salary increases (based on age)	 2.75 - 6.55%
 Investment rate of return	 7.00%

Preretirement mortality rates were based on the Pub-10 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 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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (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 measurement date) 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 PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	6,870,992
At a 1% lower rate (6.00%)		9,206,710
At a 1% higher rate (8.00%)		4,990,365

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2024 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 137,639	\$ 18,292
Changes of assumptions	8,536	78,176
Net difference between projected and actual earnings on pension plan investments	-	318,589
Changes in proportion and differences between District contributions and proportionate share of contributions	537,751	536,704
District contributions subsequent to the measurement date	688,068	-
Total	\$ 1,371,994	\$ 951,761

The amount 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 ended June 30, 2025, the Plan measurement date is June 30, 2024) of \$688,068 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2024 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 73,222	\$ 64,417	\$ 137,639
Changes of assumptions	16,823	(8,287)	8,536
Differences between expected and actual experience	35,267	(35,267)	-
Deferred inflows of resources			
Differences between expected and actual experience	(31,304)	13,012	(18,292)
Changes of assumptions	(464,117)	385,941	(78,176)
Differences between projected and actual investments earnings on pension plan investments	-	(318,589)	(318,589)
Net changes	\$ (370,109)	\$ 101,227	\$ (268,882)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2025	\$ (291,724)
2026	225,728
2027	(129,866)
2028	(74,971)
2029	1,951
Total	\$ (268,882)

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all Plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

For the fiscal year ended June 30, 2025, the District recognized net pension expense (benefit) of \$321,221, which represents the District's proportionate share of allocable plan pension expense (benefit) of \$149,739 plus the net amortization of deferred amounts from changes in proportion of \$144,120, plus the pension expense related to specific liabilities of individual employers \$8,783, plus other adjustments to the net pension liability of \$18,579. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2024 measurement date are as follows:

Service cost	\$	332,106
Interest on total pension liability		1,240,513
Benefit changes		-
Member contributions		(271,991)
Administrative expense		9,606
Other- Chapter 19 adjustment		(10,000)
Expected investment return net of investment expense		(749,360)
Pension expense related to specific liabilities of individual employers		(9,562)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		37,794
Changes of assumptions		(303,173)
Difference between projected and actual investment earnings on pension plan investments		(126,194)
Pension expense (benefit)	\$	149,739

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports/shtml.

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teacher’s Pension and Annuity Fund (TPAF)

Plan description (continued)

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

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

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2024, the State of New Jersey contributed \$5,726,718 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District’s proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2024 measurement date is as follows:

District proportionate share of net pension liability	\$ 105,596,226
Less: State proportionate share of net pension liability	40,112,165
Net pension liability	\$ 65,484,061
 Proportionate share	 0.1324914915%
 Plan fiduciary net position as a percentage of the total pension liability	 37.99%

Actuarial assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 5.65%
 Investment rate of return	 7.00%

Preretirement 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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 measurement date) 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 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 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 after that date in determining the total pension liability.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District’s proportionate share of the net pension liability

At current discount rate (7.00%)	\$	65,484,061
At a 1% lower rate (6.00%)		77,837,077
At a 1% higher rate (8.00%)		55,080,486

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2024 measurement date are as follows:

Service cost	\$	1,845,944
Interest on total pension liability		7,148,647
Benefit changes		-
Member contributions		(1,280,937)
Administrative expense		31,753
Expected investment return net of investment expense		(2,487,755)
Pension expense related to specific liabilities of individual employers		(690)
Recognition (amortization) of deferred inflows/outflows of resources		-
Differences between projected and actual experience		215,674
Changes of assumptions		(5,525,146)
Difference between projected and actual investment earnings on pension plan investments		(186,366)
Pension expense (benefit)	\$	<u>(238,876)</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2025) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2025 was \$6,715.

D. Other pension plan information

During the fiscal year ended June 30, 2025, the State of New Jersey contributed \$1,649,084 to the TPAF for postretirement medical benefits, \$69,055 for non-contributory insurance premiums, \$2,523 for long-term disability insurance, and \$5,574,613 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,267,706 during the fiscal year ended June 30, 2025 for the employer's share of Social Security Contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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 Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2024 total OPEB liability of \$59,650,630,530 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

Total OPEB liability

The State, a non-employer 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 District’s proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District 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 District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State’s level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District’s proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2024 measurement date is as follows:

State’s proportionate share of the OPEB liability	\$	59,650,630,530
District’s proportionate share of the State’s OPEB liability		81,865,910
Employer OPEB expense and related revenue		3,229,261
Allocable proportionate percentage		0.1372423213%

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2023	\$ 72,289,649
Service cost	2,996,158
Interest cost	2,694,832
Differences between expected and actual experiences	(251,772)
Changes of assumptions	6,124,659
Member contributions	70,471
Gross benefit payments	(2,058,087)
Total OPEB liability at June 30, 2024	\$ 81,865,910

There were no changes of the benefit terms from June 30, 2023 to June 30, 2024.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% as of the June 30, 2023 Plan measurement date to 3.93% as of the June 30, 2024 Plan measurement date.

The total non-employer 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 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:

	TPAF	PERS
Salary increases	(based on years of service)	(based on years of service)
	2.75% - 5.65%	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) 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.

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

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

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%.

Discount rate

The discount rate for June 30, 2024 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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2024 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.93%)	\$ 81,865,910
At a 1% lower rate (2.93%)	87,647,974
At a 1% higher rate (4.93%)	70,593,651

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as of June 30, 2024 calculated using the healthcare trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it were calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 81,865,910
At a 1% lower rate (1% decrease)	68,194,899
At a 1% higher rate (1% increase)	99,673,304

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$3,229,261 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 GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

The Board offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The Plans permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The District has awarded third party service agreements to The Omni Group and for Internal Revenue Code Sections 403(b) and 457 plan administration services.

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2025 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 374,155	\$ 643
Food service fund	643	-
Special revenue fund	-	195,728
Capital projects fund	-	178,427
Total	\$ 374,798	\$ 374,798

The balance due from the capital projects fund to the general fund of \$178,427 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance of \$195,728 due from the special revenue fund to the general fund represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance of \$643 due from the general fund to the food service fund represents grants received in the general fund not yet transferred.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2025 consisted of the following:

Food	\$ 4,652
Supplies	5,524
Total	\$ 10,176

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

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, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Contributory Method. Under this Plan, the District is required to remit the entire employee deduction of unemployment compensation to the State. Any claims for unemployment are paid for by the State from those funds.

Note 13 - Reserve accounts

A capital reserve account was established by the District 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) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, 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 NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 3,850,137	\$ 437,371	\$ 16,523	\$ -	\$ 3,180,000	\$ 1,124,031
Emergency	58,167	-	195	-	57,264	1,098
Maintenance	365,029	50,000	-	-	357,736	57,293
Total	<u>\$ 4,273,333</u>	<u>\$ 487,371</u>	<u>\$ 16,718</u>	<u>\$ -</u>	<u>\$ 3,595,000</u>	<u>\$ 1,182,422</u>

Note 14 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2025 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 785,000
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets.	785,000
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	1,124,031
Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	1,098
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	57,293

Committed

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	177,658
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Assigned fund balance

Designated for subsequent year's expenditures	544,067
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	1,427,050
Total fund balance - budgetary basis	4,901,197
Last state aid payments not recognized on GAAP basis	(272,177)
Total fund balance - GAAP basis	<u>\$ 4,629,020</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$785,000.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2025 of (\$3,993,678) on Schedule A-1, Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.

Note 17 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$335,084) in the special revenue fund as of June 30, 2025 as reported in the fund statements. PL 2005, Chapter 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 inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and 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 cannot 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 deficit does not alone indicate that the District is facing financial difficulties.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 18 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report:

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 19 - Subsequent events

On November 4, 2025, voters in the District approved a referendum authorizing school bonds to finance \$38,047,117 on improvement projects to District facilities.

The District has evaluated and determined that no material events or transactions, other than the comment above, have occurred subsequent to December 1, 2025, which is the date the financial statements were available to be issued, which requires additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited		Actual	Variance Final to Actual	
	Original Budget	Budget Transfers			Final Budget
Revenue					
Local sources					
Local tax levy	\$ 33,219,691	\$ -	\$ 33,219,691	\$ 33,219,691	\$ -
Tuition from individuals	-	-	-	18,000	18,000
Rents and royalties	45,000	-	45,000	23,415	(21,585)
Unrestricted miscellaneous revenues	70,000	-	70,000	101,488	31,488
Interest earned on current expense emergency reserve	-	-	-	195	195
Interest earned on capital reserve funds	10,000	-	10,000	16,523	6,523
Total	<u>33,344,691</u>	<u>-</u>	<u>33,344,691</u>	<u>33,379,312</u>	<u>34,621</u>
State sources					
Categorical Transportation aid	994,744	-	994,744	994,744	-
Extraordinary aid	-	-	-	552,662	552,662
Categorical Special Education aid	1,609,773	-	1,609,773	1,609,773	-
Categorical Security aid	160,045	-	160,045	160,045	-
Other state aid	-	-	-	51,370	51,370
TPAF Pension (on-behalf)	-	-	-	5,574,613	5,574,613
TPAF Non-contributory insurance	-	-	-	69,055	69,055
TPAF Social Security (reimbursed)	-	-	-	1,267,706	1,267,706
TPAF Postretirement benefits	-	-	-	1,649,084	1,649,084
TPAF Long-term disability insurance	-	-	-	2,523	2,523
Total	<u>2,764,562</u>	<u>-</u>	<u>2,764,562</u>	<u>11,931,575</u>	<u>9,167,013</u>
Federal sources					
Medicaid reimbursement	26,994	-	26,994	13,099	(13,895)
Total	<u>26,994</u>	<u>-</u>	<u>26,994</u>	<u>13,099</u>	<u>(13,895)</u>
Total revenues	<u>\$ 36,136,247</u>	<u>\$ -</u>	<u>\$ 36,136,247</u>	<u>\$ 45,323,986</u>	<u>\$ 9,187,739</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Kindergarten	\$ 669,400	\$ (62,397)	\$ 607,003	\$ 607,003	\$ -
Grades 1-5	5,149,740	(5,561)	5,144,179	5,144,179	-
Grades 6-8	3,563,700	(35,426)	3,528,274	3,528,274	-
Home instruction					
Salaries of teacher	1,000	1,783	2,783	2,783	-
Purchased professional - educational services	10,000	-	10,000	5,350	4,650
Other purchased services	650	-	650	467	183
General supplies	100	-	100	-	100
Regular programs - undistributed instruction					
Other salaries for instruction	107,000	(28,015)	78,985	78,985	-
Other purchased services	66,627	(10,227)	56,400	45,839	10,561
General supplies	496,648	364,504	861,152	719,858	141,294
Textbooks	48,600	(11,748)	36,852	26,775	10,077
Other objects	1,588	162	1,750	1,188	562
Total	<u>10,115,053</u>	<u>213,075</u>	<u>10,328,128</u>	<u>10,160,701</u>	<u>167,427</u>
Special education					
Learning and/or language disabilities					
Salaries of Teachers	179,200	87,182	266,382	265,882	500
Other salaries for instruction	60,000	26,646	86,646	85,646	1,000
Other purchased services	5,400	-	5,400	3,325	2,075
General supplies	1,000	-	1,000	807	193
Total	<u>245,600</u>	<u>113,828</u>	<u>359,428</u>	<u>355,660</u>	<u>3,768</u>
Emotional regulation impairment					
Salaries of Teachers	75,600	(1,442)	74,158	74,158	-
Other salaries for instruction	85,000	(26,914)	58,086	58,086	-
Total	<u>160,600</u>	<u>(28,356)</u>	<u>132,244</u>	<u>132,244</u>	<u>-</u>
Resource room/resource center					
Salaries of Teachers	2,248,700	70,513	2,319,213	2,314,478	4,735
Other salaries for instruction	609,000	50,617	659,617	659,617	-
Other purchased services	8,000	1,300	9,300	8,161	1,139
General supplies	20,300	2,000	22,300	18,705	3,595
Total	<u>2,886,000</u>	<u>124,430</u>	<u>3,010,430</u>	<u>3,000,961</u>	<u>9,469</u>
Autism					
Salaries of Teachers	219,000	(66,915)	152,085	151,335	750
Other salaries for instruction	144,000	17,549	161,549	160,049	1,500
General supplies	10,750	(3,600)	7,150	4,152	2,998
Total	<u>373,750</u>	<u>(52,966)</u>	<u>320,784</u>	<u>315,536</u>	<u>5,248</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Preschool disabilities - full-time					
Salaries of Teachers	\$ 266,700	\$ (128,667)	\$ 138,033	\$ 138,033	\$ -
Other salaries for instruction	197,000	(51,306)	145,694	145,694	-
General supplies	2,850	-	2,850	2,778	72
Total	<u>466,550</u>	<u>(179,973)</u>	<u>286,577</u>	<u>286,505</u>	<u>72</u>
Total special education	<u>4,132,500</u>	<u>(23,037)</u>	<u>4,109,463</u>	<u>4,090,906</u>	<u>18,557</u>
Basic skills/remedial					
Salaries of Teachers	856,400	(80,462)	775,938	775,938	-
General supplies	3,296	(321)	2,975	2,975	-
Total	<u>859,696</u>	<u>(80,783)</u>	<u>778,913</u>	<u>778,913</u>	<u>-</u>
Bilingual education - instruction					
Salaries of Teachers	166,800	(530)	166,270	163,270	3,000
Other purchased services	2,650	220	2,870	2,596	274
General supplies	900	80	980	641	339
Total	<u>170,350</u>	<u>(230)</u>	<u>170,120</u>	<u>166,507</u>	<u>3,613</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	135,840	(18,430)	117,410	117,410	-
Purchased services	50	-	50	-	50
Supplies and materials	4,050	(936)	3,114	1,466	1,648
Other objects	500	(258)	242	236	6
Total	<u>140,440</u>	<u>(19,624)</u>	<u>120,816</u>	<u>119,112</u>	<u>1,704</u>
School-sponsored athletics - instruction					
Salaries	159,000	(20,600)	138,400	138,400	-
Purchased services	21,103	-	21,103	13,913	7,190
Supplies and materials	7,943	900	8,843	7,683	1,160
Other objects	1,650	-	1,650	1,508	142
Total	<u>189,696</u>	<u>(19,700)</u>	<u>169,996</u>	<u>161,504</u>	<u>8,492</u>
Total instruction regular	<u>\$ 15,607,735</u>	<u>\$ 69,701</u>	<u>\$ 15,677,436</u>	<u>\$ 15,477,643</u>	<u>\$ 199,793</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ -	\$ 40,000	\$ 40,000	\$ 36,049	\$ 3,951
Tuition to priv. school for the disabled w/i state	406,897	(42,250)	364,647	362,238	2,409
Tuition - other	18,113	(18,113)	-	-	-
Total	<u>425,010</u>	<u>(20,363)</u>	<u>404,647</u>	<u>398,287</u>	<u>6,360</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - health services					
Salaries	\$ 388,495	\$ 62,831	\$ 451,326	\$ 449,826	\$ 1,500
Purchased professional and technical services	74,190	(46,729)	27,461	6,577	20,884
Other purchased services	1,625	200	1,825	1,396	429
Supplies and materials	17,600	(200)	17,400	11,902	5,498
Other objects	340	750	1,090	434	656
Total	482,250	16,852	499,102	470,135	28,967
Undistributed expenditures - speech, ot, pt & related services					
Salaries	692,665	(4,477)	688,188	683,830	4,358
Purchased professional - educational services	133,510	16,550	150,060	133,123	16,937
Supplies and materials	4,925	-	4,925	2,866	2,059
Other objects	5,322	2,350	7,672	4,640	3,032
Total	836,422	14,423	850,845	824,459	26,386
Undistributed expend - other supp. service stds. - extra service					
Salaries	335,000	(87,895)	247,105	247,105	-
Purchased professional - educational services	20,600	(4,000)	16,600	15,063	1,537
Total	355,600	(91,895)	263,705	262,168	1,537
Undistributed expenditures - guidance					
Salaries of other Professional Staff	590,000	(5,894)	584,106	584,106	-
Other salaries	1,250	(935)	315	315	-
Purchased professional - educational services	2,560	-	2,560	-	2,560
Other purchased services	7,760	(200)	7,560	1,964	5,596
Supplies and materials	3,100	700	3,800	3,231	569
Other objects	1,020	(500)	520	-	520
Total	605,690	(6,829)	598,861	589,616	9,245
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	819,000	(13,357)	805,643	805,643	-
Salaries of Secretarial and Clerical Assistants	168,000	(698)	167,302	167,302	-
Other salaries	3,400	(2,000)	1,400	-	1,400
Purchased professional - educational services	-	706	706	706	-
Other purchased professional & technical services	103,900	(21,900)	82,000	74,690	7,310
Other purchased services	36,009	(5,500)	30,509	25,347	5,162
Supplies and materials	16,200	1,200	17,400	17,093	307
Total	1,146,509	(41,549)	1,104,960	1,090,781	14,179
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	487,622	(1,518)	486,104	486,104	-
Salaries of other Professional Staff	14,075	(13,475)	600	-	600
Salaries of Secretarial & Clerical Assist	46,500	(483)	46,017	46,017	-
Unused vacation payment to terminated/retired staff	-	15,326	15,326	15,326	-
Other purchased services	10,600	-	10,600	5,981	4,619
Supplies and materials	5,551	1,080	6,631	6,584	47
Other objects	7,585	-	7,585	5,904	1,681
Total	571,933	930	572,863	565,916	6,947

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 604,065	\$ (22,115)	\$ 581,950	\$ 581,950	\$ -
Salaries of technology coordinators	62,500	(673)	61,827	61,827	-
Purchased professional and technical services	15,371	(7,000)	8,371	8,371	-
Other purchased services	220,211	(13,000)	207,211	196,048	11,163
Supplies and materials	13,791	938	14,729	13,703	1,026
Other objects	80	-	80	80	-
Total	916,018	(41,850)	874,168	861,979	12,189
Undistributed expenditures - instructional staff training services					
Salaries of other Professional Staff	247,390	19,714	267,104	262,951	4,153
Salaries of Secretarial & Clerical Assist.	46,500	(482)	46,018	46,018	-
Purchased professional - educational services	1,100	2,150	3,250	3,217	33
Other purchased services	35,600	(415)	35,185	9,044	26,141
Supplies and materials	5,800	-	5,800	2,077	3,723
Total	336,390	20,967	357,357	323,307	34,050
Undistributed expend. - support service - general admin.					
Salaries	278,700	2,336	281,036	281,036	-
Legal services	85,000	19,898	104,898	87,499	17,399
Audit fees	66,000	(1,100)	64,900	36,000	28,900
Other purchased professional services	26,850	(1,000)	25,850	24,963	887
Purchased technical services	13,500	(6,000)	7,500	5,500	2,000
Communications/telephone	90,077	3,000	93,077	90,727	2,350
BOE other purchased services	4,300	(53)	4,247	3,363	884
Miscellaneous purchased services	99,300	(5,898)	93,402	90,861	2,541
General supplies	3,250	6,477	9,727	9,466	261
BOE in-house training/meeting supplies	1,000	3,534	4,534	4,137	397
Miscellaneous expenditures	4,000	2,830	6,830	6,083	747
BOE membership dues and fees	18,100	(8)	18,092	17,936	156
Total	690,077	24,016	714,093	657,571	56,522
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	912,900	11,507	924,407	924,407	-
Salaries of Secretarial and Clerical Assistants	471,000	(10,999)	460,001	460,001	-
Unused vacation payment to terminated/retired staff	-	21,516	21,516	21,516	-
Other purchased services	43,655	(909)	42,746	30,150	12,596
Supplies and materials	30,655	80,910	111,565	53,129	58,436
Other objects	10,150	(210)	9,940	7,114	2,826
Total	1,468,360	101,815	1,570,175	1,496,317	73,858

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - central services					
Salaries	\$ 472,500	\$ 514	\$ 473,014	\$ 473,014	\$ -
Purchased professional services	1,300	150	1,450	1,350	100
Purchased technical services	33,369	(4,500)	28,869	27,475	1,394
Miscellaneous purchased services	6,100	86	6,186	3,691	2,495
Supplies and materials	2,400	9,900	12,300	11,881	419
Other objects	2,950	-	2,950	1,570	1,380
Total	518,619	6,150	524,769	518,981	5,788
Undistributed expenditures - admin. info. technology					
Salaries	62,500	(672)	61,828	61,828	-
Other purchased services	3,500	(500)	3,000	621	2,379
Total	66,000	(1,172)	64,828	62,449	2,379
Undistributed expend. - required maint. for school facilities					
Salaries	406,100	(37,802)	368,298	358,776	9,522
Cleaning, repair, and maintenance services	576,369	(336,246)	240,123	218,483	21,640
Lead testing in water	-	3,500	3,500	3,500	-
General supplies	77,858	6,660	84,518	79,489	5,029
Total	1,060,327	(363,888)	696,439	660,248	36,191
Undistributed expenditures - custodial services					
Salaries	282,500	5,771	288,271	288,271	-
Purchased professional and technical services	49,000	4,991	53,991	47,238	6,753
Cleaning, repair, and maintenance service	930,515	14,690	945,205	945,205	-
Other purchased property services	38,600	669	39,269	38,435	834
Insurance	83,535	-	83,535	83,535	-
Miscellaneous purchased services	11,500	1,314	12,814	11,091	1,723
General supplies	154,881	27,300	182,181	180,851	1,330
Energy (natural gas)	190,000	20,000	210,000	177,637	32,363
Energy (electricity)	413,000	52,139	465,139	462,364	2,775
Other objects	4,000	-	4,000	2,791	1,209
Total	2,157,531	126,874	2,284,405	2,237,418	46,987
Undistributed expenditures - care and upkeep of grounds					
Salaries	58,000	(25,806)	32,194	32,194	-
Cleaning, repair, and maintenance service	37,000	24,748	61,748	44,007	17,741
General supplies	19,500	-	19,500	18,034	1,466
Total	114,500	(1,058)	113,442	94,235	19,207
Undistributed expenditures - security					
Purchased professional and technical services	195,516	-	195,516	170,953	24,563
Cleaning, repair, and maintenance service	1,500	-	1,500	1,500	-
General supplies	1,477	700	2,177	2,024	153
Total	198,493	700	199,193	174,477	24,716

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	\$ 6,000	\$ 7,838	\$ 13,838	\$ 13,838	\$ -
Salaries for pupil trans. (between home & school) - reg.	816,900	95,024	911,924	911,924	-
Salaries for pupil trans. (between home & school) - sp. ed.	248,100	(48,880)	199,220	101,600	97,620
Salaries for pupil trans. (other than between home & school)	49,684	(10,371)	39,313	27,342	11,971
Management fee - ESC & CTSA trans. program	10,000	10,000	20,000	17,960	2,040
Other purchased professional and technical service	54,200	(14,000)	40,200	35,000	5,200
Cleaning, repair, & maint. services	63,350	-	63,350	48,116	15,234
Contract service (between home & school) - vendors	60,000	(35,000)	25,000	1,600	23,400
Contract service (between home & school) - joint agreements	103,222	10,000	113,222	111,710	1,512
Contract service (sp. ed. stds) - ESCs & CTSA	172,000	199,000	371,000	357,648	13,352
Miscellaneous purchased services - transportation	67,351	-	67,351	65,902	1,449
General supplies	2,700	-	2,700	1,973	727
Transportation supplies	271,939	(88,000)	183,939	170,058	13,881
Other objects	10,060	(6,000)	4,060	2,559	1,501
Total	1,935,506	119,611	2,055,117	1,867,230	187,887
Unallocated benefits - employee benefits					
Social security contributions	460,000	23,010	483,010	483,010	-
Other retirement contributions - PERS	785,000	(96,461)	688,539	688,539	-
Other retirement contributions - regular	10,000	(3,285)	6,715	6,715	-
Unemployment compensation	92,000	(5,302)	86,698	86,698	-
Workmen's compensation	325,000	(10,000)	315,000	313,258	1,742
Health benefits	5,849,000	(100,516)	5,748,484	5,316,454	432,030
Tuition reimbursement	142,660	(13,000)	129,660	113,924	15,736
Other employee benefits	517,491	(300,467)	217,024	214,032	2,992
Unused sick payment to terminated/retired staff	-	46,106	46,106	46,106	-
Total	8,181,151	(459,915)	7,721,236	7,268,736	452,500
On-behalf TPAF Pension contribution	-	-	-	5,574,613	(5,574,613)
On-behalf TPAF Non-contributory insurance	-	-	-	69,055	(69,055)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,649,084	(1,649,084)
On-behalf TPAF Long-term disability insurance	-	-	-	2,523	(2,523)
Reimbursed TPAF Social Security contribution	-	-	-	1,267,706	(1,267,706)
Total	-	-	-	8,562,981	(8,562,981)
Total undistributed expenditures	\$ 22,066,386	\$ (596,181)	\$ 21,470,205	\$ 28,987,291	\$ (7,517,086)
Total current	\$ 37,674,121	\$ (526,480)	\$ 37,147,641	\$ 44,464,934	\$ (7,317,293)

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 24,827	\$ 20,706	\$ 45,533	\$ 24,347	\$ 21,186
Undistributed expend. - support service - related & extra.	-	12,529	12,529	12,529	-
Undistributed expenditures - required maint. for school facilities	190,500	402,873	593,373	548,236	45,137
Undistributed expenditures - custodial services	-	36,850	36,850	36,850	-
Undistributed expenditures - care and upkeep of grounds	66,708	10,900	77,608	77,608	-
Undistributed expenditures student transportation	36,777	6,512	43,289	43,289	-
School buses - regular	776,348	18,000	794,348	792,699	1,649
Total equipment	<u>1,095,160</u>	<u>508,370</u>	<u>1,603,530</u>	<u>1,535,558</u>	<u>67,972</u>
Facilities acquisition and construction service					
Legal services	-	10,000	10,000	-	10,000
Architectural/engineering services	133,099	70,000	203,099	141,400	61,699
Construction services	3,287,287	-	3,287,287	3,250,160	37,127
Other objects	-	67,811	67,811	67,811	-
Assessment for debt service on SDA funding	67,811	(67,811)	-	-	-
Total facilities acquisition and construction service	<u>3,488,197</u>	<u>80,000</u>	<u>3,568,197</u>	<u>3,459,371</u>	<u>108,826</u>
Total capital outlay	<u>\$ 4,583,357</u>	<u>\$ 588,370</u>	<u>\$ 5,171,727</u>	<u>\$ 4,994,929</u>	<u>\$ 176,798</u>
Transfer of funds to charter schools	<u>\$ 18,113</u>	<u>\$ -</u>	<u>\$ 18,113</u>	<u>\$ 18,113</u>	<u>\$ -</u>
Total expenditures	<u>\$ 42,275,591</u>	<u>\$ 61,890</u>	<u>\$ 42,337,481</u>	<u>\$ 49,477,976</u>	<u>\$ (7,140,495)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (6,139,344)</u>	<u>\$ (61,890)</u>	<u>\$ (6,201,234)</u>	<u>\$ (4,153,990)</u>	<u>\$ 2,047,244</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	(235,875)	-	(235,875)	(235,875)	-
Total other financing sources (uses)	<u>(235,875)</u>	<u>-</u>	<u>(235,875)</u>	<u>(235,875)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(6,375,219)	(61,890)	(6,437,109)	(4,389,865)	2,047,244
Fund balances, July 1	9,291,062	-	9,291,062	9,291,062	-
Fund balances, June 30	<u>\$ 2,915,843</u>	<u>\$ (61,890)</u>	<u>\$ 2,853,953</u>	<u>\$ 4,901,197</u>	<u>\$ 2,047,244</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (1,599,311)	\$ -	\$ (1,599,311)	\$ (1,599,311)	\$ -
Increase in capital reserve	-	-	-	437,371	437,371
Interest deposit to capital reserve	10,000	-	10,000	16,523	6,523
Withdrawal from capital reserve	(3,100,000)	-	(3,100,000)	(3,180,000)	(80,000)
Interest earned on emergency reserve	-	-	-	195	195
Withdrawal from emergency reserve	(57,264)	-	(57,264)	(57,264)	-
Increase in maintenance reserve	-	50,000	50,000	50,000	-
Withdrawal from maintenance reserve	(357,736)	-	(357,736)	(357,736)	-
Budgeted fund balance	(1,270,908)	(111,890)	(1,382,798)	300,357	1,683,155
Total	<u>\$ (6,375,219)</u>	<u>\$ (61,890)</u>	<u>\$ (6,437,109)</u>	<u>\$ (4,389,865)</u>	<u>\$ 2,047,244</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited		Actual	Variance Final to Actual
	Original Budget	Budget Transfers		
Recapitulation of fund balance				
Restricted fund balance				
Excess surplus - designated for subsequent year's expenditures			\$ 785,000	
Excess surplus - current year			785,000	
Capital reserve			1,124,031	
Emergency reserve			1,098	
Maintenance reserve			57,293	
Committed fund balance				
Year-end encumbrances			177,658	
Assigned fund balance				
Designated for subsequent year's expenditures			544,067	
Unassigned fund balance			<u>1,427,050</u>	
 Fund balance per budgetary basis			 4,901,197	
 Reconciliation to governmental statements (GAAP)				
Last state aid payments not recognized on GAAP basis			<u>(272,177)</u>	
 Fund balance per governmental funds (GAAP)			 <u><u>\$ 4,629,020</u></u>	

READINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources	\$ 202,204	\$ -	\$ 202,204	\$ 197,760	\$ (4,444)
State sources	3,387,960	-	3,387,960	3,376,640	(11,320)
Federal sources	555,161	-	555,161	555,161	-
Total revenues	<u>4,145,325</u>	<u>-</u>	<u>4,145,325</u>	<u>4,129,561</u>	<u>(15,764)</u>
Other financing sources					
Transfer from general fund	235,875	-	235,875	235,875	-
Total revenues & other financing sources	<u>\$ 4,381,200</u>	<u>\$ -</u>	<u>\$ 4,381,200</u>	<u>\$ 4,365,436</u>	<u>\$ (15,764)</u>
Expenditures					
Instruction					
Salaries	\$ 450,205	\$ 70,039	\$ 520,244	\$ 514,323	\$ 5,921
Purchased professional and technical services	46,475	-	46,475	46,475	-
Other purchased services	1,000	(218)	782	782	-
General supplies	334,530	(8,685)	325,845	318,716	7,129
Total	<u>832,210</u>	<u>61,136</u>	<u>893,346</u>	<u>880,296</u>	<u>13,050</u>
Support services					
Tuition	353,400	-	353,400	353,400	-
Salaries	142,958	(10,678)	132,280	132,280	-
Employee benefits	337,660	(90,608)	247,052	247,052	-
Purchased professional and technical services	2,378,662	119,646	2,498,308	2,498,305	3
Plant operations and maintenance	89,000	(83,722)	5,278	5,278	-
Other purchased services	21,644	-	21,644	21,644	-
Travel	4,000	(655)	3,345	2,145	1,200
Supplies and materials	25,858	1,699	27,557	27,557	-
Other objects	7,500	3,182	10,682	9,171	1,511
Student activities	172,874	-	172,874	172,874	-
Scholarships	200	-	200	200	-
Total	<u>3,533,756</u>	<u>(61,136)</u>	<u>3,472,620</u>	<u>3,469,906</u>	<u>2,714</u>
Total expenditures	<u>\$ 4,365,966</u>	<u>\$ -</u>	<u>\$ 4,365,966</u>	<u>\$ 4,350,202</u>	<u>\$ 15,764</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 15,234	\$ -	\$ 15,234	\$ 15,234	\$ -
Fund balances, July 1	74,955	-	74,955	74,955	-
Fund balances, June 30	<u>\$ 90,189</u>	<u>\$ -</u>	<u>\$ 90,189</u>	<u>\$ 90,189</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 5,165	
Student activities				85,024	
Fund balance per budgetary basis				<u>90,189</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(335,084)	
Fund balance per governmental funds (GAAP)				<u>\$ (244,895)</u>	

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2025

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 45,323,986	\$ 4,129,561
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	388,433
Outstanding encumbrances - current year	-	(38,628)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33):		
State aid receivable prior year	233,051	190,299
State aid receivable current year	(272,177)	(335,084)
Total revenues (GAAP basis)	<u>\$ 45,284,860</u>	<u>\$ 4,334,581</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 49,477,976	\$ 4,350,202
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	388,433
Outstanding encumbrances - current year	-	(38,628)
Total expenditures (GAAP basis)	<u>\$ 49,477,976</u>	<u>\$ 4,700,007</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)
(UNAUDITED)**

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as
	Percentage	Value		as a percentage of its covered employee payroll	as a percentage of the total pension liability
2016	0.0456683389%	\$ 13,525,652	\$ 3,113,569	434.41%	40.14%
2017	0.0449689181%	10,468,045	3,055,998	342.54%	48.10%
2018	0.0443078500%	8,723,996	3,242,311	269.07%	53.60%
2019	0.0480030215%	8,649,416	3,599,229	240.31%	56.27%
2020	0.0506771993%	8,264,126	3,685,998	224.20%	58.32%
2021	0.0513960944%	6,088,638	3,680,952	165.41%	70.33%
2022	0.0480768368%	7,255,457	3,707,446	195.70%	62.91%
2023	0.0528718734%	7,658,160	3,941,068	194.32%	65.23%
2024	0.0505664473%	6,870,992	4,147,560	165.66%	68.22%
2025	N/A	N/A	4,485,035	N/A	N/A

N/A = Information not available

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	\$ 412,810	\$ (412,810)	\$ -	\$ 3,113,569	13.26%
2017	405,711	(405,711)	-	3,055,998	13.28%
2018	416,589	(416,589)	-	3,242,311	12.85%
2019	440,720	(440,720)	-	3,599,229	12.24%
2020	466,928	(466,928)	-	3,685,998	12.67%
2021	554,383	(554,383)	-	3,680,952	15.06%
2022	601,908	(601,908)	-	3,707,446	16.24%
2023	606,272	(606,272)	-	3,941,068	15.38%
2024	706,647	(706,647)	-	4,147,560	17.04%
2025	688,068	(688,068)	-	4,485,035	15.34%

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2016	0.00%	\$ -	\$ 109,635,356	\$ 109,635,356	\$ 13,800,976	0.00%	22.33%
2017	0.00%	-	90,187,865	90,187,865	13,980,596	0.00%	25.41%
2018	0.00%	-	85,284,537	85,284,537	13,327,916	0.00%	26.49%
2019	0.00%	-	81,042,180	81,042,180	15,179,915	0.00%	26.95%
2020	0.00%	-	85,519,421	85,519,421	14,781,847	0.00%	24.60%
2021	0.00%	-	65,230,517	65,230,517	14,952,483	0.00%	35.52%
2022	0.00%	-	67,996,587	67,996,587	15,200,883	0.00%	32.29%
2023	0.00%	-	66,386,628	66,386,628	15,762,599	0.00%	34.68%
2024	0.00%	-	65,484,061	65,484,061	16,858,517	0.00%	37.99%
2025	N/A	N/A	N/A	N/A	17,440,194	N/A	N/A

N/A = Information not available

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	\$ 1,115,830	\$ (1,115,830)	\$ -	\$ 13,800,976	8.09%
2017	1,504,571	(1,504,571)	-	13,980,596	10.76%
2018	2,022,103	(2,022,103)	-	13,327,916	15.17%
2019	2,651,528	(2,651,528)	-	15,179,915	17.47%
2020	2,655,114	(2,655,114)	-	14,781,847	17.96%
2021	2,942,945	(2,942,945)	-	14,952,483	19.68%
2022	3,976,248	(3,976,248)	-	15,200,883	26.16%
2023	5,515,767	(5,515,767)	-	15,762,599	34.99%
2024	5,420,223	(5,420,223)	-	16,858,517	32.15%
2025	5,726,718	(5,726,718)	-	17,440,194	32.84%

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 70,176,341	\$ 70,176,341	\$ 17,036,594	0.00%	0.00%
2018	0.00%	-	59,173,393	59,173,393	16,570,227	0.00%	0.00%
2019	0.00%	-	55,818,313	55,818,313	18,779,144	0.00%	0.00%
2020	0.00%	-	92,884,814	92,884,814	18,467,845	0.00%	0.00%
2021	0.00%	-	81,208,401	81,208,401	18,633,435	0.00%	0.00%
2022	0.00%	-	69,254,990	69,254,990	18,908,329	0.00%	0.00%
2023	0.00%	-	72,289,649	72,289,649	19,703,667	0.00%	0.00%
2024	0.00%	-	81,865,910	81,865,910	21,006,077	0.00%	0.00%
2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2025

- Note 1 - Special funding situation - PERS, TPAF, and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% in State fiscal year 2023 and 2.75% in State fiscal year 2024.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% for State fiscal year 2023 and 2.75% for State fiscal year 2024.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.65% in State fiscal year 2023 to 3.93% in State fiscal year 2024.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
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%.

SPECIAL REVENUE FUND

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title III
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	386,327	14,507	51,120	22,394	34,158
Total revenues	<u>386,327</u>	<u>14,507</u>	<u>51,120</u>	<u>22,394</u>	<u>34,158</u>
Other financing sources					
Transfer from general fund	-	-	-	-	-
Total revenue and other financing sources	<u>\$ 386,327</u>	<u>\$ 14,507</u>	<u>\$ 51,120</u>	<u>\$ 22,394</u>	<u>\$ 34,158</u>
Expenditures					
Instruction					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	28,877	14,507	-	-	500
Other purchased services	-	-	-	-	-
General supplies	-	-	41,020	-	25,358
Total	<u>28,877</u>	<u>14,507</u>	<u>41,020</u>	<u>-</u>	<u>25,858</u>
Support services					
Tuition	353,400	-	-	-	-
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased professional and technical services	-	-	-	8,000	-
Plant operations & maintenance	-	-	-	-	-
Other purchased services	4,050	-	-	14,394	3,200
Travel	-	-	-	-	-
Supplies and materials	-	-	10,100	-	5,100
Other objects	-	-	-	-	-
Student activities	-	-	-	-	-
Scholarships	-	-	-	-	-
Total	<u>357,450</u>	<u>-</u>	<u>10,100</u>	<u>22,394</u>	<u>8,300</u>
Total expenditures	<u>\$ 386,327</u>	<u>\$ 14,507</u>	<u>\$ 51,120</u>	<u>\$ 22,394</u>	<u>\$ 34,158</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2025

	ESSA Title IV	ARP ESSER	ARP Learning Acceleration	ARP Summer Learning	NJTSS Mental Health
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	10,000	10,658	2,591	16,036	7,370
Total revenues	<u>10,000</u>	<u>10,658</u>	<u>2,591</u>	<u>16,036</u>	<u>7,370</u>
Other financing sources					
Transfer from general fund	-	-	-	-	-
Total revenue and other financing sources	<u>\$ 10,000</u>	<u>\$ 10,658</u>	<u>\$ 2,591</u>	<u>\$ 16,036</u>	<u>\$ 7,370</u>
Expenditures					
Instruction					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	2,591	-	-
Other purchased services	-	-	-	-	-
General supplies	10,000	-	-	16,036	-
Total	<u>10,000</u>	<u>-</u>	<u>2,591</u>	<u>16,036</u>	<u>-</u>
Support services					
Tuition	-	-	-	-	-
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	7,370
Plant operations & maintenance	-	-	-	-	-
Other purchased services	-	-	-	-	-
Travel	-	-	-	-	-
Supplies and materials	-	10,658	-	-	-
Other objects	-	-	-	-	-
Student activities	-	-	-	-	-
Scholarships	-	-	-	-	-
Total	<u>-</u>	<u>10,658</u>	<u>-</u>	<u>-</u>	<u>7,370</u>
Total expenditures	<u>\$ 10,000</u>	<u>\$ 10,658</u>	<u>\$ 2,591</u>	<u>\$ 16,036</u>	<u>\$ 7,370</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2025

	Preschool Expansion Aid	Local Grants	Scholarships	Student Activities	Total
Revenues					
Local sources	\$ -	\$ 9,452	\$ 100	\$ 188,208	\$ 197,760
State sources	3,376,640	-	-	-	3,376,640
Federal sources	-	-	-	-	555,161
Total revenues	3,376,640	9,452	100	188,208	4,129,561
Other financing sources					
Transfer from general fund	235,875	-	-	-	235,875
Total revenue and other financing sources	\$ 3,612,515	\$ 9,452	\$ 100	\$ 188,208	\$ 4,365,436
Expenditures					
Instruction					
Salaries	\$ 514,323	\$ -	\$ -	\$ -	\$ 514,323
Purchased professional and technical services	-	-	-	-	46,475
Other purchased services	782	-	-	-	782
General supplies	216,850	9,452	-	-	318,716
Total	731,955	9,452	-	-	880,296
Support services					
Tuition	-	-	-	-	353,400
Salaries	132,280	-	-	-	132,280
Employee benefits	247,052	-	-	-	247,052
Purchased professional and technical services	2,482,935	-	-	-	2,498,305
Plant operations & maintenance	5,278	-	-	-	5,278
Other purchased services	-	-	-	-	21,644
Travel	2,145	-	-	-	2,145
Supplies and materials	1,699	-	-	-	27,557
Other objects	9,171	-	-	-	9,171
Student activities	-	-	-	172,874	172,874
Scholarships	-	-	200	-	200
Total	2,880,560	-	200	172,874	3,469,906
Total expenditures	\$ 3,612,515	\$ 9,452	\$ 200	\$ 172,874	\$ 4,350,202
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (100)	\$ 15,334	\$ 15,234
Fund balances, July 1	-	-	5,265	69,690	74,955
Fund balances, June 30	\$ -	\$ -	\$ 5,165	\$ 85,024	\$ 90,189

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 324,755	\$ 321,384	\$ 3,371
Other salaries for instruction	195,489	192,939	2,550
Other purchased services	782	782	-
Supplies	219,535	216,850	2,685
Total	740,561	731,955	8,606
Support services			
Salaries - other professional staff	2,675	2,675	-
Salaries - community parent involvement	15,641	15,641	-
Salaries - master teachers	113,964	113,964	-
Employee benefits	247,052	247,052	-
Purchased professional and technical services	2,482,938	2,482,935	3
Plant operations and maintenance	5,278	5,278	-
Travel	3,345	2,145	1,200
Supplies	1,699	1,699	-
Other objects	10,682	9,171	1,511
Total	2,883,274	2,880,560	2,714
Total expenditures	\$ 3,623,835	\$ 3,612,515	\$ 11,320
Calculation of Budget & Carryover			
Total revised 2024 - 2025 preschool education aid allocation			\$ 3,387,960
Add: actual ECPA/PEA carryover (June 30, 2024)			92,093
Less: PEA deduction from state school aid 2025 - 2026			(23,023)
Add: budgeted transfer from general fund			235,875
Total preschool education aid funds available for 2024 - 2025 budget			3,692,905
Less: 2024 - 2025 budgeted preschool education aid			(3,623,835)
Available and unbudgeted preschool education aid funds as of June 30, 2025			69,070
Add: 2024 - 2025 unexpended preschool education aid			11,320
2024 - 2025 Actual carryover preschool education aid			\$ 80,390
Preschool education aid carryover budgeted for preschool programs 2025 - 2026			\$ 92,093
Unbudgeted carryover preschool education aid			\$ -

See independent auditors' report.

CAPITAL PROJECTS FUND

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.

READINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2025

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/25
			Prior Years	Current Year	
Roof replacement and HVAC	09/18/23	\$ 617,500	\$ 499,456	\$ 75,625	\$ 42,419
		<u>\$ 617,500</u>	<u>\$ 499,456</u>	<u>\$ 75,625</u>	<u>\$ 42,419</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

Expenditures and other financing uses		
Construction services	\$	75,625
Total expenditures and other financing uses		75,625
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		(75,625)
Fund balance - beginning		118,044
Fund balance - ending	\$	42,419
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>		
Fund balance - budgetary basis (schedule F-2)	\$	42,419
Receivables from other governments - state		
GAAP basis (schedule B-1)		205,675
Budgetary basis (schedule K-4)		(220,846)
Fund balance - GAAP basis (schedule B-1)	\$	27,248

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Roof Replacement and HVAC Upgrades
For the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - transfer from capital reserve fund	\$ 396,654	\$ -	\$ 396,654	\$ 396,654
State sources - SDA grant	220,846	-	220,846	220,846
Total revenues	<u>617,500</u>	<u>-</u>	<u>617,500</u>	<u>617,500</u>
Expenditures and other financing uses				
Purchased professional and technical services	10,581	-	10,581	53,000
Construction services	488,875	75,625	564,500	564,500
Total expenditures	<u>499,456</u>	<u>75,625</u>	<u>575,081</u>	<u>617,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 118,044</u>	<u>\$ (75,625)</u>	<u>\$ 42,419</u>	<u>\$ -</u>

Additional Project Information

Project number	4350-050-23-R501
Grant date	09/18/23
Bonds authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 552,115
Increase in authorized cost	65,385
Revised authorized cost	617,500
Percentage completion	93%

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

READINGTON TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, For the Fiscal Year Ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/24	Issued	Retired	Balance 06/30/25
			Date	Amount					
Refunding school bonds of 2013	10/09/13	\$ 7,905,000	01/01/26	\$ 700,000	3.38%	\$ 2,110,000	\$ -	\$ 685,000	\$ 1,425,000
			01/01/27	725,000	3.50%	-	-	-	-
Refunding school bonds of 2017	05/23/17	8,495,000	07/15/25	1,225,000	5.00%	3,610,000	-	1,155,000	2,455,000
			07/15/26	1,230,000	5.00%	-	-	-	-
						<u>\$ 5,720,000</u>	<u>\$ -</u>	<u>\$ 1,840,000</u>	<u>\$ 3,880,000</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources - debt service tax levy	\$ 2,055,742	\$ -	\$ 2,055,742	\$ 2,055,742	\$ -
State sources - debt service aid	7,146	-	7,146	7,146	-
Total revenues	<u>2,062,888</u>	<u>-</u>	<u>2,062,888</u>	<u>2,062,888</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of bond principal	1,840,000	-	1,840,000	1,840,000	-
Interest on bonds	222,888	-	222,888	222,888	-
Total expenditures	<u>2,062,888</u>	<u>-</u>	<u>2,062,888</u>	<u>2,062,888</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

READINGTON TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
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.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

READINGTON TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government activities										
Net investment in capital assets	\$ 21,870,825	\$ 23,434,089	\$ 26,063,244	\$ 27,329,544	\$ 28,443,477	\$ 30,432,087	\$ 32,047,605	\$ 33,606,957	\$ 35,556,864	\$ 40,579,359
Restricted	5,308,140	6,039,014	4,774,287	4,565,452	5,500,633	5,803,449	6,304,820	6,017,884	4,424,114	1,299,859
Unrestricted	(7,320,859)	(9,287,158)	(9,507,682)	(9,023,572)	(8,843,301)	(8,032,739)	(6,879,864)	(4,680,589)	(3,095,831)	(3,993,678)
Total governmental activities	<u>\$ 19,858,106</u>	<u>\$ 20,185,945</u>	<u>\$ 21,329,849</u>	<u>\$ 22,871,424</u>	<u>\$ 25,100,809</u>	<u>\$ 28,202,797</u>	<u>\$ 31,472,561</u>	<u>\$ 34,944,252</u>	<u>\$ 36,885,147</u>	<u>\$ 37,885,540</u>
					*					
Business-type activities										
Net investment in capital assets	\$ 29,968	\$ 29,229	\$ 24,325	\$ 57,736	\$ 49,423	\$ 41,655	\$ 109,243	\$ 108,499	\$ 250,181	\$ 387,853
Unrestricted	130,949	172,229	171,111	132,026	115,435	139,356	268,134	342,036	246,555	84,522
Total business-type activities	<u>\$ 160,917</u>	<u>\$ 201,458</u>	<u>\$ 195,436</u>	<u>\$ 189,762</u>	<u>\$ 164,858</u>	<u>\$ 181,011</u>	<u>\$ 377,377</u>	<u>\$ 450,535</u>	<u>\$ 496,736</u>	<u>\$ 472,375</u>
District-wide										
Net investment in capital assets	\$ 21,900,793	\$ 23,463,318	\$ 26,087,569	\$ 27,387,280	\$ 28,492,900	\$ 30,473,742	\$ 32,156,848	\$ 33,715,456	\$ 35,807,045	\$ 40,967,212
Restricted	5,308,140	6,039,014	4,774,287	4,565,452	5,500,633	5,803,449	6,304,820	6,017,884	4,424,114	1,299,859
Unrestricted	(7,189,910)	(9,114,929)	(9,336,571)	(8,891,546)	(8,727,866)	(7,893,383)	(6,611,730)	(4,338,553)	(2,849,276)	(3,909,156)
Total district-wide	<u>\$ 20,019,023</u>	<u>\$ 20,387,403</u>	<u>\$ 21,525,285</u>	<u>\$ 23,061,186</u>	<u>\$ 25,265,667</u>	<u>\$ 28,383,808</u>	<u>\$ 31,849,938</u>	<u>\$ 35,394,787</u>	<u>\$ 37,381,883</u>	<u>\$ 38,357,915</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 15,532,061	\$ 17,497,506	\$ 19,047,867	\$ 18,323,278	\$ 17,301,617	\$ 19,889,205	\$ 19,566,693	\$ 18,344,051	\$ 19,757,066	\$ 19,976,806
Special education	5,797,724	6,409,476	7,140,540	6,711,755	6,569,476	7,541,579	6,825,523	6,993,731	7,512,039	7,536,038
Other special education	1,410,624	1,733,351	1,680,881	1,672,180	1,459,568	1,782,799	1,655,310	1,983,871	2,139,011	1,900,265
Other instruction	425,542	445,971	484,552	439,310	509,542	217,292	399,566	523,682	545,869	522,904
Support services										
Tuition	583,148	602,237	975,604	1,075,150	935,044	762,399	675,274	781,921	678,157	751,687
Student and instruction related services	6,695,902	7,304,973	7,651,285	7,544,200	7,838,400	9,082,443	8,671,614	8,601,835	9,615,273	11,957,093
General and business administrative services	1,792,644	1,983,103	1,640,582	1,733,752	1,756,304	1,815,141	1,612,904	1,722,492	1,771,603	1,845,009
School administration	2,101,185	2,354,438	2,654,318	2,431,356	2,350,013	2,753,272	2,642,625	2,619,690	2,732,575	2,722,673
Plant operations and maintenance	2,505,463	2,623,557	2,810,879	2,794,372	2,879,796	2,981,426	3,082,678	3,144,398	3,591,150	3,646,397
Pupil transportation	1,571,941	1,851,479	2,042,716	1,906,964	1,743,300	1,872,310	1,974,575	1,905,536	2,141,936	2,792,404
Transfer to charter school	-	-	-	-	-	-	-	-	-	18,113
Interest on long-term debt	802,887	649,110	657,835	421,416	421,510	370,342	305,984	245,293	171,169	92,101
Total governmental activities expenses	<u>39,219,121</u>	<u>43,455,201</u>	<u>46,787,059</u>	<u>45,053,733</u>	<u>43,764,570</u>	<u>49,068,208</u>	<u>47,412,746</u>	<u>46,866,500</u>	<u>50,655,848</u>	<u>53,761,490</u>
Business-type activities										
Food service	488,618	475,181	535,128	549,895	420,413	183,850	796,619	807,907	821,335	870,361
Summer program	17,509	15,676	10,677	13,153	9,393	-	12,023	15,344	20,369	43,180
Total business-type activities	<u>506,127</u>	<u>490,857</u>	<u>545,805</u>	<u>563,048</u>	<u>429,806</u>	<u>183,850</u>	<u>808,642</u>	<u>823,251</u>	<u>841,704</u>	<u>913,541</u>
Total district expenses	<u>\$ 39,725,248</u>	<u>\$ 43,946,058</u>	<u>\$ 47,332,864</u>	<u>\$ 45,616,781</u>	<u>\$ 44,194,376</u>	<u>\$ 49,252,058</u>	<u>\$ 48,221,388</u>	<u>\$ 47,689,751</u>	<u>\$ 51,497,552</u>	<u>\$ 54,675,031</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 51,592	\$ 54,865	\$ 49,299	\$ 108,943	\$ 106,760	\$ 68,609	\$ 117,788	\$ 107,455	\$ 51,605	\$ 63,465
Special education instruction	16,841	15,109	-	-	-	-	-	-	-	-
Student & instruction related services	120,276	121,044	150,154	150,844	185,757	184,659	111,224	213,528	170,186	188,308
Plant operations and maintenance	52,186	53,176	49,091	47,833	60,062	-	-	-	-	-
Pupil transportation	11,881	78,654	23,869	65,164	18,277	578	4,800	49,553	22,908	17,920
Operating grants and contributions	440,978	537,585	532,138	570,690	460,009	624,336	673,203	878,110	1,971,810	4,146,273
Capital grants and contributions	64,689	10,147	-	-	-	24,722	-	-	178,628	27,047
Total governmental activities	<u>758,443</u>	<u>870,580</u>	<u>804,551</u>	<u>943,474</u>	<u>830,865</u>	<u>902,904</u>	<u>907,015</u>	<u>1,248,646</u>	<u>2,395,137</u>	<u>4,443,013</u>
Business-type activities										
Charges for services										
Food service	411,684	401,220	408,719	425,936	285,918	1,997	116,368	538,366	581,520	570,341
Summer programs	22,483	14,235	8,007	13,843	8,180	-	22,000	29,720	25,945	22,020
Operating grants and contributions	111,606	114,565	117,972	115,944	109,131	196,942	866,452	317,164	275,574	293,518
Total business-type activities	<u>545,773</u>	<u>530,020</u>	<u>534,698</u>	<u>555,723</u>	<u>403,229</u>	<u>198,939</u>	<u>1,004,820</u>	<u>885,250</u>	<u>883,039</u>	<u>885,879</u>
Total district-wide program revenues	<u>\$ 1,304,216</u>	<u>\$ 1,400,600</u>	<u>\$ 1,339,249</u>	<u>\$ 1,499,197</u>	<u>\$ 1,234,094</u>	<u>\$ 1,101,843</u>	<u>\$ 1,911,835</u>	<u>\$ 2,133,896</u>	<u>\$ 3,278,176</u>	<u>\$ 5,328,892</u>
Net (expense) revenues										
Governmental activities	\$ (38,460,678)	\$ (42,584,621)	\$ (45,982,508)	\$ (44,110,259)	\$ (42,933,705)	\$ (48,165,304)	\$ (46,505,731)	\$ (45,617,854)	\$ (48,260,711)	\$ (49,318,477)
Business-type activities	39,646	39,163	(11,107)	(7,325)	(26,577)	15,089	196,178	61,999	41,335	(27,662)
Total District-wide net expenses	<u>\$ (38,421,032)</u>	<u>\$ (42,545,458)</u>	<u>\$ (45,993,615)</u>	<u>\$ (44,117,584)</u>	<u>\$ (42,960,282)</u>	<u>\$ (48,150,215)</u>	<u>\$ (46,309,553)</u>	<u>\$ (45,555,855)</u>	<u>\$ (48,219,376)</u>	<u>\$ (49,346,139)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 26,643,599	\$ 26,906,853	\$ 27,444,990	\$ 28,788,825	\$ 29,566,452	\$ 30,237,361	\$ 30,842,108	\$ 31,433,950	\$ 32,316,089	\$ 33,219,691
Taxes levied for debt service	2,037,036	2,109,696	2,112,227	2,072,481	2,000,870	2,041,923	1,905,521	2,045,140	2,047,658	2,055,742
Unrestricted grants and contributions	10,549,409	13,619,700	17,432,113	14,636,797	13,399,683	18,929,918	16,974,563	15,321,122	15,535,039	14,925,231
Investment earnings	33,091	48,130	108,024	124,033	86,954	10,686	6,567	113,646	147,162	87,221
Miscellaneous income	155,465	219,980	29,058	61,699	34,395	47,404	49,290	178,767	155,658	30,985
Special item - gain (loss) on disposition of assets	26,035	8,101	-	(32,001)	-	-	(2,554)	(3,080)	-	-
Total governmental activities	<u>39,444,635</u>	<u>42,912,460</u>	<u>47,126,412</u>	<u>45,651,834</u>	<u>45,088,354</u>	<u>51,267,292</u>	<u>49,775,495</u>	<u>49,089,545</u>	<u>50,201,606</u>	<u>50,318,870</u>
Business-type activities										
Investment earnings	513	451	2,448	2,800	1,647	122	136	3,433	4,601	2,653
Miscellaneous income	-	927	2,637	68	26	942	52	7,726	265	648
Special item - gain (loss) on disposition of assets	-	-	-	(1,217)	-	-	-	-	-	-
Total business-type activities	<u>513</u>	<u>1,378</u>	<u>5,085</u>	<u>1,651</u>	<u>1,673</u>	<u>1,064</u>	<u>188</u>	<u>11,159</u>	<u>4,866</u>	<u>3,301</u>
Total district-wide	<u>\$ 39,445,148</u>	<u>\$ 42,913,838</u>	<u>\$ 47,131,497</u>	<u>\$ 45,653,485</u>	<u>\$ 45,090,027</u>	<u>\$ 51,268,356</u>	<u>\$ 49,775,683</u>	<u>\$ 49,100,704</u>	<u>\$ 50,206,472</u>	<u>\$ 50,322,171</u>
Change in net position										
Governmental activities	\$ 983,957	\$ 327,839	\$ 1,143,904	\$ 1,541,575	\$ 2,154,649	\$ 3,101,988	\$ 3,269,764	\$ 3,471,691	\$ 1,940,895	\$ 1,000,393
Business-type activities	40,159	40,541	(6,022)	(5,674)	(24,904)	16,153	196,366	73,158	46,201	(24,361)
Total district	<u>\$ 1,024,116</u>	<u>\$ 368,380</u>	<u>\$ 1,137,882</u>	<u>\$ 1,535,901</u>	<u>\$ 2,129,745</u>	<u>\$ 3,118,141</u>	<u>\$ 3,466,130</u>	<u>\$ 3,544,849</u>	<u>\$ 1,987,096</u>	<u>\$ 976,032</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Restricted	\$ 6,338,677	\$ 7,566,975	\$ 6,202,767	\$ 5,963,700	\$ 6,862,300	\$ 7,242,115	\$ 7,840,398	\$ 7,519,118	\$ 5,843,333	\$ 2,752,422
Committed	250,268	60,613	137,866	346,016	320,712	423,159	214,110	728,424	1,599,311	177,658
Assigned	-	-	19,169	43,876	112,871	84,555	-	379,101	485,908	544,067
Unassigned	605,781	536,855	572,145	643,595	622,417	929,834	923,805	1,043,003	1,129,459	1,154,873
Total general fund	<u>\$ 7,194,726</u>	<u>\$ 8,164,443</u>	<u>\$ 6,931,947</u>	<u>\$ 6,997,187</u>	<u>\$ 7,918,300</u>	<u>\$ 8,679,663</u>	<u>\$ 8,978,313</u>	<u>\$ 9,669,646</u>	<u>\$ 9,058,011</u>	<u>\$ 4,629,020</u>
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ 74,736	\$ 67,200	\$ 79,422	\$ 83,766	\$ (115,344)	\$ (244,895)
Capital projects fund	1,591,939	340,922	332,562	332,562	103,356	-	-	-	75,826	27,248
Assigned, reported in										
Debt service fund	-	10,868	13,276	2,408	134,134	134,134	-	-	-	-
Total all other governmental funds	<u>\$ 1,591,939</u>	<u>\$ 351,790</u>	<u>\$ 345,838</u>	<u>\$ 334,970</u>	<u>\$ 312,226</u>	<u>\$ 201,334</u>	<u>\$ 79,422</u>	<u>\$ 83,766</u>	<u>\$ (39,518)</u>	<u>\$ (217,647)</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	\$ 28,680,635	\$ 29,016,549	\$ 29,557,217	\$ 30,861,306	\$ 31,567,322	\$ 32,279,284	\$ 32,747,629	\$ 33,479,090	\$ 34,363,747	\$ 35,275,433
Tuition charges	68,433	69,974	49,299	108,943	106,760	44,934	86,029	51,800	4,200	18,000
Transportation fees	5,300	4,410	6,225	7,960	5,200	460	4,800	8,500	-	-
Interest earnings	33,091	48,130	108,024	124,033	86,954	10,686	6,567	113,646	147,162	87,221
Local contributions	-	-	-	111,400	10,553	29,416	115,621	169,521	171,247	197,761
Miscellaneous	135,272	195,787	87,480	108,198	65,110	47,404	49,290	178,767	155,658	30,985
Rent and royalties	-	-	-	-	-	-	31,759	32,795	23,035	23,415
State sources	5,101,995	5,382,089	6,625,720	6,890,554	7,062,741	8,612,831	10,386,452	10,679,276	12,658,530	15,243,665
State sources - capital projects	64,689	10,147	-	-	-	24,722	-	-	178,628	27,047
Federal sources	430,168	516,647	546,780	484,565	464,504	632,889	655,897	974,295	847,707	805,849
Total revenues	34,519,583	35,243,733	36,980,745	38,696,959	39,369,144	41,682,626	44,084,044	45,687,690	48,549,914	51,709,376
Expenditures										
Instruction										
Regular instruction	8,409,875	8,667,280	8,718,908	9,045,229	8,888,124	9,028,723	9,591,796	9,307,615	9,742,767	10,160,701
Special education instr.	3,184,856	3,197,239	3,333,486	3,382,801	3,526,311	3,550,699	3,415,314	3,769,703	3,924,366	4,090,906
Other special instruction	731,952	824,762	731,185	782,227	720,714	747,424	772,178	937,580	1,022,145	945,420
Other instruction	279,355	272,258	279,909	276,648	268,225	129,123	277,998	289,452	287,831	280,616
Support services										
Tuition	275,801	264,619	578,543	714,126	585,044	405,098	309,140	373,230	290,883	398,287
Student & instructional related services	3,736,526	3,624,785	3,665,310	3,962,214	4,065,150	4,145,801	4,509,042	4,594,238	4,559,179	4,988,361
General administration	584,315	561,157	529,140	566,130	586,645	478,430	476,596	555,745	542,470	595,123
School admin. services	1,214,701	1,229,833	1,239,415	1,276,311	1,308,662	1,383,389	1,415,473	1,530,171	1,499,254	1,558,766
Central services	433,996	519,533	419,667	433,917	449,157	456,497	468,044	499,698	500,219	518,981
Administrative information technology	74,915	79,946	79,464	83,109	86,511	88,308	57,330	59,245	60,860	62,448
Plant operations and maintenance	2,171,537	2,224,999	2,368,661	2,416,326	2,497,818	2,578,424	2,788,312	2,845,655	3,094,337	3,166,378
Pupil transportation	1,094,538	1,249,673	1,444,239	1,408,947	1,277,936	1,312,660	1,494,894	1,429,931	1,516,866	1,867,230
Employee benefits	4,923,510	4,986,488	5,164,964	5,384,450	5,488,861	5,491,209	5,743,744	5,969,078	7,040,644	7,268,736
On-behalf TPAF Pension & Social Security contrib.	3,477,161	3,770,332	4,290,449	4,957,016	5,040,596	6,366,029	7,893,376	7,958,151	8,491,564	8,562,981
Capital outlay	522,825	551,660	852,571	1,224,172	1,217,562	2,098,425	1,807,265	1,731,620	1,599,692	4,927,118

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenditures (cont'd)										
Special revenue funds	\$ 440,978	\$ 537,585	\$ 532,138	\$ 570,690	\$ 460,009	\$ 655,067	\$ 772,205	\$ 1,020,852	\$ 2,489,726	\$ 4,700,007
Capital projects	319,761	1,658,181	8,360	-	-	-	-	-	499,456	75,625
Transfer to charter schools	-	-	-	-	-	-	-	-	-	18,113
Debt service										
Principal	1,370,000	1,410,000	3,375,000	1,495,000	1,470,000	1,565,000	1,620,000	1,685,000	1,755,000	1,840,000
Interest & other charges	817,774	785,904	607,784	663,274	608,186	551,849	494,599	435,049	367,574	290,699
Total expenditures	<u>34,064,376</u>	<u>36,416,234</u>	<u>38,219,193</u>	<u>38,642,587</u>	<u>38,545,511</u>	<u>41,032,155</u>	<u>43,907,306</u>	<u>44,992,013</u>	<u>49,284,833</u>	<u>56,316,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>455,207</u>	<u>(1,172,501)</u>	<u>(1,238,448)</u>	<u>54,372</u>	<u>823,633</u>	<u>650,471</u>	<u>176,738</u>	<u>695,677</u>	<u>(734,919)</u>	<u>(4,607,120)</u>
Other financing sources (uses)										
Proceeds from bond issue & refunding bond issue	990,000	9,285,000	-	-	-	-	-	-	-	-
Premium on bond issue	-	1,276,745	-	-	-	-	-	-	-	-
Payments to refunding bond escrow agent	-	(9,667,777)	-	-	-	-	-	-	-	-
Proceeds from disposition of capital assets	46,400	8,101	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,036,400</u>	<u>902,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,491,607</u>	<u>\$ (270,432)</u>	<u>\$ (1,238,448)</u>	<u>\$ 54,372</u>	<u>\$ 823,633</u>	<u>\$ 650,471</u>	<u>\$ 176,738</u>	<u>\$ 695,677</u>	<u>\$ (734,919)</u>	<u>\$ (4,607,120)</u>
Debt service as a percentage of non-capital expenditures	7.05%	6.86%	11.93%	6.12%	5.90%	5.75%	5.29%	5.15%	4.71%	4.33%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest income	\$ 33,091	\$ 48,129	\$ 108,024	\$ 124,033	\$ 86,954	\$ 10,686	\$ 6,567	\$ 113,646	\$ 147,162	\$ 87,221
Tuition	68,434	69,974	49,299	108,943	106,760	44,934	86,029	51,800	4,200	18,000
Transportation fees	5,300	4,410	6,225	7,960	5,200	460	4,800	8,500	-	-
Building use rental income	44,585	43,881	42,692	46,499	30,715	-	31,759	32,795	23,035	23,415
Prior year refunds	-	4,246	1,812	16,548	12,761	31,205	6,151	500	646	11,552
Sale of surplus supplies	6,052	480	25	18,104	-	-	-	-	-	-
Prior year accounts payable canceled	-	-	283	-	-	-	-	-	-	-
E-rate telephone rebates	73,240	91,870	15,266	20,714	16,823	8,256	7,319	102,375	119,299	14,448
Sale of assets	-	-	1,445	1,349	4,765	4,330	15,956	72,944	4,922	2,626
Miscellaneous										
Account balances canceled	-	20,000	-	-	1	-	2,204	639	6,829	-
Refunds	360	-	55	-	-	-	14,121	-	23,962	2,061
Other	224	3,465	10,172	4,984	45	3,613	3,539	2,309	-	298
Annual totals	\$ 231,286	\$ 286,455	\$ 235,298	\$ 349,134	\$ 264,024	\$ 103,484	\$ 178,445	\$ 385,508	\$ 330,055	\$ 159,621

Source: District Records

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Vacant land	\$ 31,194,600	\$ 26,021,500	\$ 23,944,836	\$ 20,033,957	\$ 18,043,200	\$ 19,277,900	\$ 17,487,300	\$ 19,261,400	\$ 18,163,100	\$ 16,392,400
Residential	2,036,191,100	2,058,524,200	2,076,043,900	2,095,940,300	2,110,606,200	2,648,491,100	2,651,788,600	2,659,724,300	2,673,478,900	2,691,591,300
Farm regular	123,306,100	125,242,400	121,786,200	118,750,100	119,770,700	139,494,700	138,695,600	139,005,800	135,439,500	133,575,400
Q farm	4,726,655	4,674,248	5,022,757	4,691,100	4,975,400	4,648,900	4,728,700	4,709,900	4,819,600	4,596,800
Commercial	342,902,000	342,292,300	323,400,000	319,550,000	317,972,400	412,302,300	412,961,800	369,283,500	368,001,800	367,535,000
Industrial	53,386,800	53,912,800	53,912,800	53,912,800	53,912,800	81,410,200	83,360,200	83,473,000	85,348,400	85,348,400
Apartment	1,368,100	1,367,100	1,096,400	1,096,400	3,512,200	1,815,000	1,815,000	13,515,000	51,815,000	51,815,000
Total assessed value	2,593,075,355	2,612,034,548	2,605,206,893	2,613,974,657	2,628,792,900	3,307,440,100	3,310,837,200	3,288,972,900	3,337,066,300	3,350,854,300
Public utilities (a)	257,705	257,705	257,705	483,414	477,438	592,163	592,163	526,900	295,200	264,500
Net valuation taxable	\$ 2,593,333,060	\$ 2,612,292,253	\$ 2,605,464,598	\$ 2,614,458,071	\$ 2,629,270,338	\$ 3,308,032,263	\$ 3,311,429,363	\$ 3,289,499,800	\$ 3,337,361,500	\$ 3,351,118,800
Estimated actual county equalized value	\$ 3,078,505,532	\$ 3,233,436,382	\$ 3,207,910,119	\$ 3,200,465,260	\$ 3,258,887,379	\$ 3,180,517,266	\$ 3,538,986,174	\$ 3,731,283,802	\$ 4,070,449,445	\$ 4,610,151,052
Percentage of net valuation to estimated actual equalized value	84.24%	80.79%	81.22%	81.69%	80.68%	104.01%	93.57%	88.16%	81.99%	72.69%
Total direct school tax rate (b)	\$ 1.112	\$ 1.122	\$ 1.160	\$ 1.193	\$ 1.216	\$ 0.985	\$ 0.998	\$ 1.032	\$ 1.044	\$ 1.071

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

* Revaluation; Limited exemptions and abatements

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)			Municipality	County	
			Total Direct School Tax Rate					
2016	\$ 1.033	\$ 0.079	\$ 1.112	\$ 0.700	\$ 0.548	\$ 0.440	\$ 2.800	
2017	1.040	0.082	1.122	0.715	0.573	0.458	2.868	
2018	1.077	0.083	1.160	0.729	0.582	0.465	2.936	
2019	1.113	0.080	1.193	0.738	0.592	0.460	2.983	
2020	1.139	0.077	1.216	0.739	0.619	0.467	3.041	
2021	* 0.923	0.062	0.985	0.592	0.508	0.362	2.447	
2022	* 0.940	0.058	0.998	0.603	0.528	0.403	2.532	
2023	* 0.969	0.063	1.032	0.612	0.528	0.427	2.599	
2024	* 0.982	0.062	1.044	0.600	0.528	0.449	2.621	
2025	1.009	0.062	1.071	0.637	0.584	0.506	2.798	

Sources: Municipal Tax Collector

Note: N.J.S.A. 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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.
- * Revaluation; Limited exemptions and abatements

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Unicom Science Technology Park Inc.	\$ 87,780,800	1	2.62%	\$ -	
Oak St Real Est Cap	62,000,000	2	1.85%	-		0.00%
Readington Commons	50,000,000	3	1.49%	-		0.00%
LFARMS ATTN: Steve Roth	20,604,800	4	0.61%	-		0.00%
Whitehouse Mall	11,500,000	5	0.34%	8,274,600	6	0.32%
Individual Property Owner #1	9,955,300	6	0.30%	9,867,171	5	0.38%
Transcontinental Gas Pipeline	9,592,600	7	0.29%	6,587,400	7	0.25%
Commerce Park Ventures	9,307,000	8	0.28%	-		0.00%
Branchburg Rte 22 LLC	8,580,000	9	0.26%	-		0.00%
Mill Rd Dairy Holdings LLC	6,973,200	10	0.21%	-		0.00%
Merck & Co	-		0.00%	126,457,230	1	4.88%
Federal Insurance Co	-		0.00%	55,507,800	2	2.14%
Toll NJ I LLC	-		0.00%	15,944,414	3	0.61%
Lamington River Farms	-		0.00%	12,203,270	4	0.47%
Somerville Associates	-		0.00%	5,700,000	8	0.22%
Salem Realty II LLC	-		0.00%	5,540,000	9	0.21%
Bishop & Bishop Land Partnership	-		0.00%	5,539,700	10	0.21%
	<u>\$ 276,293,700</u>		<u>8.25%</u>	<u>\$ 251,621,585</u>		<u>9.69%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2016	\$ 28,680,635	\$ 28,680,635	100.00%
2017	29,016,549	29,016,549	100.00%
2018	29,557,217	29,557,217	100.00%
2019	30,861,306	30,861,306	100.00%
2020	31,567,322	31,567,322	100.00%
2021	32,279,284	32,279,284	100.00%
2022	32,747,629	32,747,629	100.00%
2023	33,479,090	33,479,090	100.00%
2024	34,363,747	34,363,747	100.00%
2025	35,275,433	35,275,433	100.00%

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

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

READINGTON TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases					
2016	\$ 20,295,000	\$ -	\$ -	\$ -	\$ -	\$ 20,295,000	1.62%	\$ 1,275
2017	18,685,000	-	-	-	-	18,685,000	1.45%	1,176
2018	15,310,000	-	-	-	-	15,310,000	1.17%	961
2019	13,815,000	-	-	-	-	13,815,000	1.02%	870
2020	12,345,000	-	-	-	-	12,345,000	0.87%	778
2021	10,780,000	-	-	-	-	10,780,000	0.74%	680
2022	9,160,000	-	-	-	-	9,160,000	0.58%	565
2023	7,475,000	-	-	-	-	7,475,000	0.46%	459
2024	5,720,000	-	-	-	-	5,720,000	0.33%	352
2025	3,880,000	-	-	-	-	3,880,000	N/A	237

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2016	\$ 20,295,000	\$ -	\$ 20,295,000	0.78%	\$ 1,275
2017	18,685,000	-	18,685,000	0.72%	1,176
2018	15,310,000	-	15,310,000	0.59%	961
2019	13,815,000	-	13,815,000	0.53%	870
2020	12,345,000	-	12,345,000	0.47%	778
2021	10,780,000	-	10,780,000	0.33%	680
2022	9,160,000	-	9,160,000	0.28%	565
2023	7,475,000	-	7,475,000	0.23%	459
2024	5,720,000	-	5,720,000	0.17%	352
2025	3,880,000	-	3,880,000	0.12%	237

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

READINGTON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 39,749,862	100.00%	\$ 39,749,862
Regional High School	-	33.37%	-
County general obligation debt	72,292,160	15.20%	<u>10,988,408</u>
Subtotal, overlapping debt			50,738,270
School district direct debt			<u>4,565,000</u>
Total direct and overlapping debt			<u><u>\$ 55,303,270</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

Notes: 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 Municipality. 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.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized Valuation Basis
	2024 \$ 4,590,818,957
	2023 4,011,431,760
	2022 3,755,486,842
	\$ 12,357,737,559
Average equalized valuation of taxable property	\$ 4,119,245,853
Debt limit (3.0% of average equalization value)	\$ 123,577,376
Total net debt applicable to limit	3,880,000
Legal debt margin	\$ 119,697,376

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	\$ 95,936,209	\$ 99,392,056	\$ 104,547,611	\$ 113,016,414	\$ 123,577,376
Total net debt applicable	10,780,000	9,160,000	7,475,000	5,720,000	3,880,000
Legal debt margin	\$ 85,156,209	\$ 90,232,056	\$ 97,072,611	\$ 107,296,414	\$ 119,697,376
Total net debt applicable to the limit as a percentage of debt limit	11.24%	9.22%	7.15%	5.06%	3.14%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 92,221,774	\$ 93,436,605	\$ 95,228,990	\$ 96,147,874	\$ 96,450,669
Total net debt applicable	20,295,000	18,685,000	15,310,000	13,815,000	12,345,000
Legal debt margin	\$ 71,926,774	\$ 74,751,605	\$ 79,918,990	\$ 82,332,874	\$ 84,105,669
Total net debt applicable to the limit as a percentage of debt limit	22.01%	20.00%	16.08%	14.37%	12.80%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit Set by N.J.S.A. 18A:24-19.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2016	15,913	\$ 1,251,605,189	\$ 78,653	4.0%
2017	15,887	1,287,736,672	81,056	4.0%
2018	15,927	1,311,301,764	82,332	3.4%
2019	15,882	1,352,177,598	85,139	2.9%
2020	15,872	1,423,210,496	89,668	7.9%
2021	15,863	1,457,587,618	91,886	5.7%
2022	16,218	1,590,515,478	98,071	3.3%
2023	16,277	1,622,035,604	99,652	3.9%
2024	16,257	1,720,006,857	105,801	4.0%
2025	16,371	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

READINGTON TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2025

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	109.0	122.5	117.4	125.8	121.2	119.1	122.1	120.5	122.2	124.9
Special education	55.0	60.0	70.3	67.2	67.2	71.2	74.2	71.7	67.4	70.8
Other special education	10.5	11.5	10.3	10.0	10.0	9.0	10.0	11.0	10.1	9.1
Support services										
Student and instruction related services	55.8	49.0	51.4	53.9	54.0	58.0	57.0	49.9	50.7	56.4
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administration services	15.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0	16.0	14.0
Other administration services	1.0	1.0	1.0	1.0	1.0	-	-	-	-	-
Central services	6.0	6.0	6.0	6.0	6.0	6.0	5.0	7.0	6.0	6.0
Administrative information technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	11.5	11.0	10.0	10.0	10.0	10.0	10.0	11.0	10.0	10.0
Pupil transportation	21.0	19.0	14.0	15.0	17.0	13.9	12.5	14.3	14.1	17.2
Total	287.8	299.0	299.4	307.9	305.4	306.2	309.8	303.4	299.5	311.4

Source: District Personnel Records

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	1,690	\$ 31,034,016	\$ 18,363	3.67%	195	1 to 8.67	1,689.5	1,622.8	-3.72%	96.05%
2017	1,620	32,010,489	19,760	7.61%	191	1 to 8.48	1,609.2	1,549.2	-4.75%	96.27%
2018	1,528	33,375,478	21,843	10.54%	198	1 to 7.72	1,512.8	1,452.0	-5.99%	95.98%
2019	1,509	35,260,141	23,367	6.98%	203	1 to 7.43	1,490.0	1,430.0	-1.51%	95.97%
2020	1,490	35,249,763	23,658	1.25%	198	1 to 7.53	1,476.5	1,429.4	-0.91%	96.81%
2021	1,402	36,816,881	26,260	10.99%	192	1 to 7.30	1,412.2	1,379.6	-4.35%	97.69%
2022	1,430	39,985,442	27,962	6.48%	198	1 to 7.22	1,432.1	1,366.7	1.41%	95.43%
2023	1,406	41,140,344	29,261	4.64%	193	1 to 7.28	1,409.8	1,333.0	-1.56%	94.56%
2024	1,450	45,063,111	31,078	6.20%	200	1 to 7.25	1,449.6	1,373.2	2.82%	94.73%
2025	1,403	49,183,054	35,056	12.80%	204	1 to 6.88	1,402.8	1,333.9	-3.23%	95.09%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
Whitehouse School (1916)										
Square feet	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333	73,333
Capacity (students)	531	531	531	531	531	531	531	531	531	531
Enrollment	341	331	303	303	307	311	318	322	343	334
Three Bridges School (1950)										
Square feet	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435	61,435
Capacity (students)	445	445	445	445	445	445	445	445	445	445
Enrollment	320	321	301	330	303	276	288	287	314	294
Holland Brook School (1999)										
Square feet	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150	90,150
Capacity (students)	653	653	653	653	653	653	653	653	653	653
Enrollment	372	361	335	321	330	319	299	305	305	311
Middle										
Readington Middle School (1962)										
Square feet	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536	121,536
Capacity (students)	832	832	832	832	832	832	832	832	832	832
Enrollment	641	607	577	555	532	496	525	492	488	463

Number of schools at June 30, 2025:

Elementary	3
Middle	1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facilities
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	*School Facilities				Total
	Three Bridges School	Whitehouse School	Holland Brook School	Readington Middle School	
2016	\$ 90,478	\$ 90,458	\$ 127,052	\$ 177,695	\$ 485,683
2017	82,333	83,136	120,859	149,677	436,005
2018	115,113	89,246	128,967	170,199	503,525
2019	100,041	120,892	117,575	177,799	516,307
2020	159,080	93,858	111,702	197,616	562,256
2021	122,499	126,670	164,087	207,371	620,627
2022	130,801	138,059	188,990	244,448	702,298
2023	117,011	174,159	132,307	199,867	623,344
2024	131,705	156,193	195,567	258,030	741,495
2025	117,078	139,753	171,802	231,615	660,248
Total school facilities	\$ 1,166,139	\$ 1,212,424	\$ 1,458,908	\$ 2,014,317	\$ 5,851,788

Source: District Records

Note: * School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

READINGTON TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund		
Property - blanket building & contents (Insurance Cooperative)	\$ 500,000,000	\$ 2,500
Comprehensive general liability (policy limit)	5,000,000	-
Blanket dishonesty bond	500,000	1,000
Pollution liability - School Alliance Insurance Fund through ACE Insurance Company		
Claim limit	1,000,000	10,000
School board legal liability - School Alliance Insurance Fund through National Union Fire Insurance Company of Pittsburgh, PA		
Policy limit	5,000,000	10,000
Worker's compensation - School Alliance Insurance Fund		
Per accident, disease and disease limit	5,000,000	-
Excess liability - School Alliance Insurance Fund		
Policy limit	5,000,000	-
Public employees' faithful performance - Hanover Insurance Company		
Business administrator's bond	250,000	-
Treasurer bond	250,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' 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***

Honorable President and
Members of the Board of Education
Readington Township School District
County of Hunterdon, New Jersey

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, and the aggregate remaining fund information of the Readington Township School District (the District) in the County of Hunterdon, 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, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Readington Township School 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

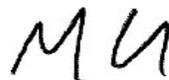
As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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* and 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 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

December 1, 2025
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the New Jersey OMB Circular 15-08**

Honorable President and
Members of the Board of Education
Readington Township School District
Whitehouse Station, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

December 1, 2025
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/24	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2025		
				From	To						Accounts Receivable	Unearned Revenue	Due to Grantor
General Fund													
U.S. Departments of Health & Human Services passed through State Department of Health and Human Services Medical Assistance Program (SEMI cluster)	93.778	2005NJ5MAP	\$ 13,099	07/01/24	06/30/25	\$ -	\$ -	\$ 13,099	\$ 13,099	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund													
U.S. Department of Education passed through State Department of Education Special education cluster (IDEA)													
IDEA Basic	84.027A	H027A250100	386,327	07/01/24	06/30/25	-	-	386,327	386,327	-	-	-	-
IDEA Preschool	84.173A	H173A250114	14,507	07/01/24	06/30/25	-	-	14,507	14,507	-	-	-	-
Total special education cluster (IDEA)						-	-	400,834	400,834	-	-	-	-
ESSA Title I A	84.010	S010A250030	51,120	07/01/24	06/30/25	-	-	51,120	51,120	-	-	-	-
ESSA Title II A	84.367A	S367A250029	22,394	07/01/24	06/30/25	-	-	22,394	22,394	-	-	-	-
ESSA Title III Consortium	84.365	S365A240030	27,505	07/01/23	06/30/24	(3,094)	-	3,094	-	-	-	-	-
ESSA Title III Consortium	84.365	S365A250030	34,158	07/01/24	06/30/25	-	-	32,029	34,158	-	(2,129)	-	-
ESSA Title IV	84.424	S424A250031	10,000	07/01/24	06/30/25	-	-	10,000	10,000	-	-	-	-
COVID-19													
ARP - ESSER													
ARP - ESSER	84.425U	S425U210027	37,303	03/13/20	09/30/24	-	-	10,658	10,658	-	-	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	118,311	03/13/20	09/30/24	(1,516)	-	4,107	2,591	-	-	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	16,036	16,036	-	-	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	-	-	7,370	7,370	-	-	-	-
U.S. Environmental Protection Agency Clean School Bus	66.045	68-0103-0-1-304	200,000	07/01/23	06/30/24	(200,000)	-	200,000	-	-	-	-	-
Total Special Revenue Fund						(204,610)	-	757,642	555,161	-	(2,129)	-	-

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/24	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2025		
				From	To						Accounts Receivable	Unearned Revenue	Due to Grantor
Enterprise Fund													
U.S. Department of Agriculture passed through State Department of Agriculture Child Nutrition Cluster													
National School Lunch Program													
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	\$ 78,898	07/01/23	06/30/24	\$ 1,791	\$ -	\$ -	\$ 1,791	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	251NJ304N1099	76,906	07/01/24	06/30/25	-	-	76,906	75,143	-	-	1,763	-
Cash Assistance	10.555	241NJ304N1099	136,817	07/01/23	06/30/24	(12,287)	-	12,287	-	-	-	-	-
Cash Assistance	10.555	251NJ304N1099	174,784	07/01/24	06/30/25	-	-	160,068	174,784	-	(14,716)	-	-
National School Breakfast Program	10.553	241NJ304N1099	11,436	07/01/23	06/30/24	(1,532)	-	1,532	-	-	-	-	-
National School Breakfast Program	10.553	251NJ304N1099	16,764	07/01/24	06/30/25	-	-	15,009	16,764	-	(1,755)	-	-
Total Child Nutrition Cluster						(12,028)	-	265,802	268,482	-	(16,471)	1,763	-
P-EBT Administrative	10.649	2022225900941	643	07/01/24	06/30/25	-	-	643	643	-	-	-	-
Total Enterprise Fund						(12,028)	-	266,445	269,125	-	(16,471)	1,763	-
Total Federal Awards						\$ (216,638)	\$ -	\$ 1,037,186	\$ 837,385	\$ -	\$ (18,600)	\$ 1,763	\$ -

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2024		Cash Received	Budgetary Expenditure	Repayment	Balance June 30, 2025			Memo	
					Unearned Rev.	Due to			of Prior	Accounts	Unearned	Due to	Budgetary	Cumulative
					(Accts. Rec)	Grantor			Year	Receivable	Revenue	Grantor	Receivable	Expenditure
General Fund														
State Department of Education														
Special Education Categorical Aid	25-495-034-5120-089	\$ 1,609,773	07/01/24	06/30/25	\$ -	\$ -	\$ 1,451,288	\$ 1,609,773	\$ -	\$ -	\$ -	\$ -	\$ 158,485	\$ 1,609,773
Security Aid	25-495-034-5120-084	160,045	07/01/24	06/30/25	-	-	144,288	160,045	-	-	-	-	15,757	160,045
Transportation Aid	25-495-034-5120-014	994,744	07/01/24	06/30/25	-	-	896,809	994,744	-	-	-	-	97,935	994,744
Extraordinary Aid	24-495-034-5120-044	598,597	07/01/23	06/30/24	(598,597)	-	598,597	-	-	-	-	-	-	598,597
Extraordinary Aid	25-495-034-5120-044	552,662	07/01/24	06/30/25	-	-	-	552,662	-	(552,662)	-	-	-	552,662
Non-Public Transportation Aid	24-495-034-5120-014	38,020	07/01/23	06/30/24	(38,020)	-	38,020	-	-	-	-	-	-	38,020
Non-Public Transportation Aid	25-495-034-5120-014	51,370	07/01/24	06/30/25	-	-	-	51,370	-	(51,370)	-	-	-	51,370
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	1,649,084	07/01/24	06/30/25	-	-	1,649,084	1,649,084	-	-	-	-	-	1,649,084
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	69,055	07/01/24	06/30/25	-	-	69,055	69,055	-	-	-	-	-	69,055
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	5,574,613	07/01/24	06/30/25	-	-	5,574,613	5,574,613	-	-	-	-	-	5,574,613
On-Behalf TPAF Pension Contribution - Long-Term Disability	25-495-034-5094-004	2,523	07/01/24	06/30/25	-	-	2,523	2,523	-	-	-	-	-	2,523
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	1,225,076	07/01/23	06/30/24	(59,535)	-	59,535	-	-	-	-	-	-	1,225,076
Reimbursed TPAF Social Security Contribution	25-495-034-5094-003	1,267,706	07/01/24	06/30/25	-	-	1,205,196	1,267,706	-	(62,510)	-	-	-	1,267,706
Total General Fund					<u>(696,152)</u>	<u>-</u>	<u>11,689,008</u>	<u>11,931,575</u>	<u>-</u>	<u>(666,542)</u>	<u>-</u>	<u>-</u>	<u>272,177</u>	<u>13,793,268</u>
Special Revenue Fund														
State Department of Education														
Preschool expansion aid	24-495-034-5120-086	1,522,410	07/01/23	06/30/24	92,093	-	-	-	-	-	92,093	-	-	1,430,317
Preschool expansion aid	25-495-034-5120-086	3,387,960	07/01/24	06/30/25	-	-	3,052,876	3,376,640	-	-	11,320	-	335,084	3,376,640
Total Special Revenue Fund					<u>92,093</u>	<u>-</u>	<u>3,052,876</u>	<u>3,376,640</u>	<u>-</u>	<u>-</u>	<u>103,413</u>	<u>-</u>	<u>335,084</u>	<u>4,806,957</u>

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B (continued)
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2024		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2025			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Capital Projects Fund														
NJ School Development Authority														
School facilities project - roof replacement and HVAC	4350-050-23-R501	\$ 220,846	07/01/23	06/30/24	\$ (220,846)	\$ -	\$ -	\$ -	\$ -	\$ (220,846)	\$ -	\$ -	\$ -	\$ 220,846
Debt Service Fund														
State Department of Education														
Debt Service Aid	25-495-034-5120-017	7,146	07/01/24	06/30/25	-	-	7,146	7,146	-	-	-	-	-	7,146
Enterprise Fund														
State Department of Agriculture														
State School Lunch Program	24-100-010-3350-023	10,878	07/01/23	06/30/24	(975)	-	975	-	-	-	-	-	-	10,878
State School Lunch Program	25-100-010-3350-023	22,659	07/01/24	06/30/25	-	-	22,059	22,659	-	(600)	-	-	-	22,659
State School Breakfast Program	24-100-010-3350-023	507	07/01/23	06/30/24	(60)	-	60	-	-	-	-	-	-	507
State School Breakfast Program	25-100-010-3350-023	1,734	07/01/24	06/30/25	-	-	218	1,734	-	(1,516)	-	-	-	1,734
Total Enterprise Fund					(1,035)	-	23,312	24,393	-	(2,116)	-	-	-	35,778
Total State Financial Assistance					\$ (825,940)	\$ -	\$ 14,772,342	15,339,754	\$ -	\$ (889,504)	\$ 103,413	\$ -	\$ 607,261	\$ 18,863,995
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	5,574,613	07/01/24	06/30/25				5,574,613						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	69,055	07/01/24	06/30/25				69,055						
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	1,649,084	07/01/24	06/30/25				1,649,084						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-004	2,523	07/01/24	06/30/25				2,523						
Total for State Financial Assistance - Major Program Determination								\$ 8,044,479						

See independent auditors' report.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Readington Township School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The Basic Financial Statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$39,126) for the general fund, \$205,020 for the special revenue fund, and (\$15,171) for the capital projects 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 and exhibit F-2 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the capital projects fund.

READINGTON TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ 13,099	\$ 11,892,449	\$ 11,905,548
Special revenue fund	792,750	3,344,070	4,136,820
Capital projects fund	-	27,047	27,047
Debt service fund	-	7,146	7,146
Food service fund	269,125	24,393	293,518
Total awards and financial assistance	\$ 1,074,974	\$ 15,295,105	\$ 16,370,079

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent 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 Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2025.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal Control Over Financial Reporting:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

Noncompliance material to Basic
Financial Statements noted?

Yes No

Federal Awards

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

What was the type of auditors' report issued on compliance for
major programs?

Unmodified

Were any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		<i>IDEA Special Education Cluster</i>
<i>84.027A</i>	<i>H027A250100</i>	<i>IDEA Basic</i>
<i>84.173A</i>	<i>H173A250114</i>	<i>IDEA Preschool</i>

What was the dollar threshold used to distinguish between Type
A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

Yes No

**READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025**

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

What was the type of auditors' report issued on compliance for major programs? Unmodified

Were 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:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>25-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>25-495-034-5120-084</u>	<u>Security Aid</u>
<u>25-495-034-5120-086</u>	<u>Preschool Expansion Aid</u>

READINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

**READINGTON TOWNSHIP SCHOOL DISTRICT
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

There were no prior year audit findings/recommendations.