

**READINGTON TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2024**

**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, 2024**

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November 21, 2024

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, 2024 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 auditor's 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 auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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 auditor's 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 2023-2024 fiscal year with an in-district enrollment of 1,450 students, which is 1.7% above 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
2014-2015	1752	-1.5%
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%

## 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 complete 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 with the increase in valuation assessments in the township, both in terms of housing and corporate, following a recent reassessment. The anticipation of new residential housing construction within township boundaries shall likely result in the stabilization of 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 on several sections of Readington Middle School, created three new bathrooms for elementary school classrooms, renovated the Pupil Services Department offices, refreshed all staff lounges and created a brand-new garden at Whitehouse School. Other safety improvements, information technology and maintenance projects also occurred. These projects were accomplished through reserve funding without directly impacting the tax levy or through a referendum. More projects are planned for the summer of 2024.

#### 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, 2024.



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, 2024, \$2,110,000 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, 2024, \$3,610,000 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.

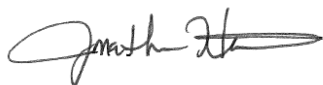
11. OTHER INFORMATION:

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,

A handwritten signature in black ink, appearing to read 'Jonathan Hart'.

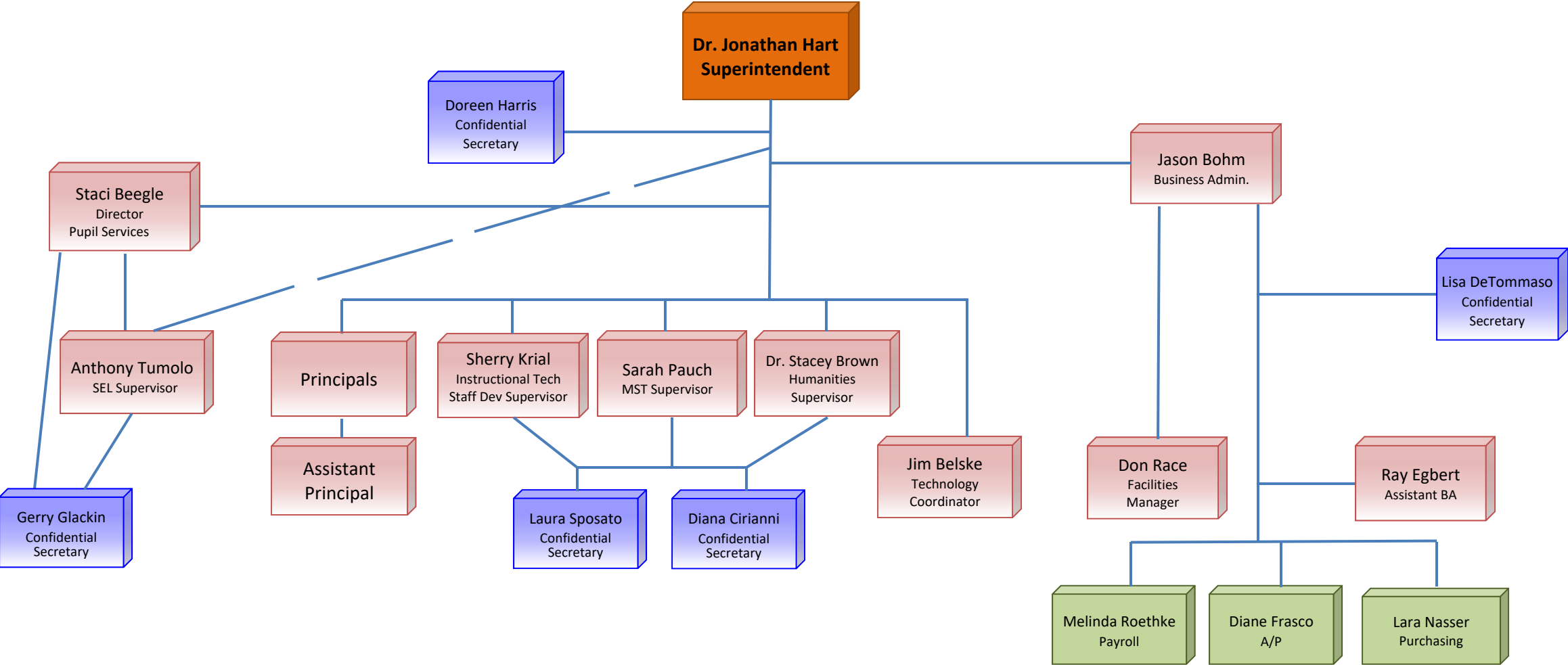
Jonathan Hart, Ph.D.  
Superintendent of Schools

A handwritten signature in black ink, appearing to read 'JB'.

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

# Readington Township Board Office Organizational Chart

2023-2024 School Year



**READINGTON TOWNSHIP BOARD OF EDUCATION**  
**Roster of Officials**  
**June 30, 2024**

<b><u>Members of the Board of Education</u></b>	<b><u>Title</u></b>	<b><u>Term Expiration</u></b>
Dr. Camille Cerciello	President	2025
Jennifer Wolf	Vice President	2025
Paulo Lopes		2025
Randall Peach		2025
Michelle Mencer		2026
Carolyn Podgorski		2026
Ellen DePinto		2027
Elizabeth Fiore		2027
Justina Ryan		2027

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

**READINGTON TOWNSHIP BOARD OF EDUCATION**  
**Consultants and Advisors**  
**June 30, 2024**

**AUDIT FIRM**

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

**SOLICITOR**

Schenck, Price, Smith & King, LLP  
220 Park Avenue  
Florham Park, New Jersey 07932

**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](http://www.bkc-cpa.com)

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## 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, 2024, 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, 2024, 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 November 21, 2024, 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

November 21, 2024  
Flemington, New Jersey

## **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**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, 2024, 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 2024 are as follows:

- In total, net position increased \$1,987,096, which represents a 5.61% increase from fiscal year 2023.
- General revenues accounted for \$50,206,472 in revenue or 93.87% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,278,176 or 6.13% to total revenues of \$53,484,648.
- Total assets of governmental activities increased by \$242,160 as cash and cash equivalents decreased by \$122,458, receivables and other current assets increased by \$169,711 and capital assets increased by \$194,907.
- The School District had \$51,497,552 in expenses; only \$3,278,176 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily property taxes) of \$50,206,472 were adequate to provide for these programs.
- Among major funds, the general fund had \$44,174,527 in revenues and \$44,786,162 in expenditures and other financing uses. The General fund's balance decreased \$611,635 from fiscal year 2023.

**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, 2024**  
**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 2024?" 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**  
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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, 2024 with comparison to June 30, 2023.

**Table 1**  
**Net Position**

	06/30/24	06/30/23	Variance	
			Dollars	%
Current & other assets	\$ 10,364,956	\$ 10,406,286	\$ (41,330)	-0.40%
Capital assets	41,527,045	41,190,456	336,589	0.82%
Total assets	51,892,001	51,596,742	295,259	0.57%
Deferred pension activity	1,708,008	1,523,497	184,511	12.11%
Long-term liabilities	14,123,620	15,605,468	(1,481,848)	-9.50%
Other liabilities	1,218,268	464,605	753,663	162.22%
Total liabilities	15,341,888	16,070,073	(728,185)	-4.53%
Deferred pension activity	876,238	1,655,379	(779,141)	-47.07%
Net position				
Net investment in capital assets	35,807,045	33,715,456	2,091,589	6.20%
Restricted	4,424,114	6,017,884	(1,593,770)	-26.48%
Unrestricted	(2,849,276)	(4,338,553)	1,489,277	34.33%
Total net position	\$ 37,381,883	\$ 35,394,787	\$ 1,987,096	5.61%

Total assets increased by \$295,259. Cash and cash equivalents decreased by \$177,707, receivables and other assets increased by \$136,377, and capital assets increased by \$336,589. 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 increased by \$1,489,277. 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**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
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Table 2 provides a summary of the District's changes in net position in fiscal year ending June 30, 2024 with comparisons to fiscal year ending June 30, 2023.

**Table 2**  
**Changes in Net Position**

	06/30/24	06/30/23	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 852,164	\$ 938,622	\$ (86,458)	-9.21%
Operating grants	2,247,384	1,195,274	1,052,110	88.02%
Capital grants	178,628	-	178,628	100.00%
General revenues				
Property taxes	34,363,747	33,479,090	884,657	2.64%
Unrestricted grants	15,535,039	15,321,122	213,917	1.40%
Other	307,686	303,572	4,114	1.36%
Total revenues	<u>53,484,648</u>	<u>51,237,680</u>	<u>2,246,968</u>	4.39%
Program expenses				
Instruction				
Regular	19,757,066	18,344,051	1,413,015	7.70%
Special	7,512,039	6,993,731	518,308	7.41%
Other	2,684,880	2,507,553	177,327	7.07%
Support services				
Tuition	678,157	781,921	(103,764)	-13.27%
Student & instructional staff	9,615,273	8,601,835	1,013,438	11.78%
General & business administration	1,771,603	1,722,492	49,111	2.85%
School administration	2,732,575	2,619,690	112,885	4.31%
Maintenance	3,591,150	3,144,398	446,752	14.21%
Transportation	2,141,936	1,905,536	236,400	12.41%
Food service	821,335	807,907	13,428	1.66%
Summer programs	20,369	15,344	5,025	32.75%
Interest on long-term debt	171,169	245,293	(74,124)	-30.22%
Total expenses	<u>51,497,552</u>	<u>47,689,751</u>	<u>3,807,801</u>	7.98%
Increase (decrease) before special items	1,987,096	3,547,929	(1,560,833)	-43.99%
Special items				
Gain (loss) on disposal of asset	-	(3,080)	3,080	100.00%
Total special items	<u>-</u>	<u>(3,080)</u>	<u>3,080</u>	100.00%
Change net position	<u>\$ 1,987,096</u>	<u>\$ 3,544,849</u>	<u>\$ (1,557,753)</u>	-43.94%

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
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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 65.33% of revenues for governmental activities for the Readington Township School District for fiscal year 2024.

The dependence upon tax revenues is apparent. The community, as a whole, is the primary support for the Readington Township School District. Instruction comprises 58.17% of district expenses. Support services expenses make up 41.50% of the expenses, and interest expense comprises 0.33% 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, 2024 with comparisons to fiscal year ending June 30, 2023.

**Table 3**  
**Cost of Governmental and Business Type Services**

	Total Cost of Services		Net Cost of Services	
	06/30/24	06/30/23	06/30/24	06/30/23
Instruction	\$ 29,953,985	\$ 27,845,335	\$ 29,168,473	\$ 27,444,598
Support services				
Tuition	678,157	781,921	290,883	373,230
Student & instructional	9,615,273	8,601,835	8,548,689	8,212,170
General & business	1,771,603	1,722,492	1,765,351	1,722,492
School administration	2,732,575	2,619,690	2,684,735	2,619,690
Plant operations	3,591,150	3,144,398	3,520,329	3,144,398
Pupil transportation	2,141,936	1,905,536	2,111,082	1,855,983
Food service	821,335	807,907	(35,759)	(47,623)
Summer program	20,369	15,344	(5,576)	(14,376)
Interest on long-term debt	171,169	245,293	171,169	245,293
Total expenses	<u>\$ 51,497,552</u>	<u>\$ 47,689,751</u>	<u>\$ 48,219,376</u>	<u>\$ 45,555,855</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**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

General administration, school administration and business 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 48,549,914 and expenditures of \$49,284,833. The net change in fund balance for the year of \$734,919 was most significant in the general fund with a decrease of \$611,635.

**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 2024, 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 \$35,710,203, which was \$786,023 above original budgeted estimates of \$34,924,180. 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 \$584,395.



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion & Analysis**  
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**Capital Assets**

At the end of fiscal year 2024, the District had \$41,527,045 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, 2024 with comparisons to June 30, 2023.

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

	06/30/24	06/30/23	Variance	
			Dollars	%
Land	\$ 412,362	\$ 412,362	\$ -	0.00%
Construction in Progress	391,960	193,649	198,311	102.41%
Land Improvements	1,869,330	1,850,486	18,844	1.02%
Buildings & Improvements	36,358,127	36,686,512	(328,385)	-0.90%
Machinery & Equipment	1,379,138	1,105,803	273,335	24.72%
Vehicles	1,116,128	941,644	174,484	18.53%
Total	<u>\$ 41,527,045</u>	<u>\$ 41,190,456</u>	<u>\$ 336,589</u>	0.82%

Capital additions were more than depreciation expense and asset disposals in the current fiscal year by \$336,589. Additions to capital assets resulted primarily from expenses related to building improvements, furniture and equipment in fiscal year 2024.

**Liabilities and Long-term Debt**

At June 30, 2024, the School District had \$14,123,620 in long-term liabilities. At June 30, 2024, the School District's overall legal debt limit was \$113,016,414 and the legal borrowing margin was \$107,296,414.

Table 5 provides a summary of the District's outstanding long-term liabilities at June 30, 2024 with comparisons to June 30, 2023.

**Table 5**  
**Long-Term Liabilities at Year-End**

	06/30/24	06/30/23	Variance	
			Dollars	%
General obligation bonds	\$ 5,720,000	\$ 7,475,000	\$ (1,755,000)	-23.48%
Net pension liability	7,658,160	7,255,457	402,703	5.55%
Unamortized bond premium	328,404	489,402	(160,998)	-32.90%
Compensated absences	417,056	385,609	31,447	8.16%
Total	<u>\$ 14,123,620</u>	<u>\$ 15,605,468</u>	<u>\$ (1,481,848)</u>	-9.50%

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

**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, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,781,550	\$ 320,247	\$ 5,101,797
Receivables, net	889,950	14,854	904,804
Inventory	-	9,669	9,669
Restricted assets			
Capital reserve account - cash	3,850,137	-	3,850,137
Emergency reserve account - cash	58,167	-	58,167
Maintenance reserve account - cash	365,029	-	365,029
Scholarships - cash	5,265	-	5,265
Student activities - cash	70,088	-	70,088
Capital assets, net			
Land	412,362	-	412,362
Construction in progress	391,960	-	391,960
Other capital assets, net of depreciation	40,472,542	250,181	40,722,723
Total assets	<u>51,297,050</u>	<u>594,951</u>	<u>51,892,001</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>1,708,008</u>	<u>-</u>	<u>1,708,008</u>
Liabilities			
Accounts payable	189,074	62,649	251,723
Accrued interest	118,360	-	118,360
Payroll deductions and withholdings payable	525,198	-	525,198
Unearned revenues	287,421	35,566	322,987
Long-term liabilities			
Due within one year	2,000,998	-	2,000,998
Due beyond one year	12,122,622	-	12,122,622
Total liabilities	<u>15,243,673</u>	<u>98,215</u>	<u>15,341,888</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>876,238</u>	<u>-</u>	<u>876,238</u>

See accompanying notes to the financial statements.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position (continued)**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 35,556,864	\$ 250,181	\$ 35,807,045
Restricted for			
Capital reserve fund	3,850,137	-	3,850,137
Emergency reserve fund	58,167	-	58,167
Maintenance reserve fund	365,029	-	365,029
Capital projects fund	75,826	-	75,826
Scholarships	5,265	-	5,265
Student activities	69,690	-	69,690
Unrestricted	(3,095,831)	246,555	(2,849,276)
Total net position	<u>\$ 36,885,147</u>	<u>\$ 496,736</u>	<u>\$ 37,381,883</u>

See accompanying notes to the financial statements.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2024**

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	\$ 10,407,832	\$ 9,349,234	\$ 51,605	\$ 545,957	\$ 73,773	\$ (19,085,731)	\$ -	\$ (19,085,731)
Special education	3,935,506	3,576,533	-	11,140	31,974	(7,468,925)	-	(7,468,925)
Other special instruction	1,082,668	1,056,343	-	60,523	8,396	(2,070,092)	-	(2,070,092)
Other instruction	287,831	258,038	-	-	2,144	(543,725)	-	(543,725)
Support services								
Tuition	678,157	-	-	387,274	-	(290,883)	-	(290,883)
Students and instruction related services	5,818,353	3,796,920	170,186	863,530	32,868	(8,548,689)	-	(8,548,689)
General and business administration services	1,103,549	668,054	-	-	6,252	(1,765,351)	-	(1,765,351)
School administration services	1,499,254	1,233,321	-	36,765	11,075	(2,684,735)	-	(2,684,735)
Plant operations and maintenance	3,177,836	413,314	-	65,284	5,537	(3,520,329)	-	(3,520,329)
Pupil transportation	1,539,774	602,162	22,908	1,337	6,609	(2,111,082)	-	(2,111,082)
Interest on long-term debt	171,169	-	-	-	-	(171,169)	-	(171,169)
Total governmental activities	<u>29,701,929</u>	<u>20,953,919</u>	<u>244,699</u>	<u>1,971,810</u>	<u>178,628</u>	<u>(48,260,711)</u>	<u>-</u>	<u>(48,260,711)</u>
Business-type activities								
Food service	821,335	-	581,520	275,574	-	-	35,759	35,759
Summer enrichment	20,369	-	25,945	-	-	-	5,576	5,576
Total business-type activities	<u>841,704</u>	<u>-</u>	<u>607,465</u>	<u>275,574</u>	<u>-</u>	<u>-</u>	<u>41,335</u>	<u>41,335</u>
Total primary government	<u>\$ 30,543,633</u>	<u>\$ 20,953,919</u>	<u>\$ 852,164</u>	<u>\$ 2,247,384</u>	<u>\$ 178,628</u>	<u>(48,260,711)</u>	<u>41,335</u>	<u>(48,219,376)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						32,316,089	-	32,316,089
Property taxes levied for debt service						2,047,658	-	2,047,658
Federal and state aid not restricted						15,535,039	-	15,535,039
Investment earnings						147,162	4,601	151,763
Miscellaneous income						155,658	265	155,923
Total general revenues and special items						<u>50,201,606</u>	<u>4,866</u>	<u>50,206,472</u>
Change in net position						1,940,895	46,201	1,987,096
Net position - beginning						34,944,252	450,535	35,394,787
Net position - ending						<u>\$ 36,885,147</u>	<u>\$ 496,736</u>	<u>\$ 37,381,883</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, 2024**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 4,693,230	\$ 88,320	\$ -	\$ -	\$ 4,781,550
Due from other funds	103,200	-	-	-	103,200
Receivables from other governments					
State	696,152	-	178,628	-	874,780
Federal	-	4,610	-	-	4,610
Other accounts receivable	5,560	5,000	-	-	10,560
Restricted cash and equivalents	4,273,333	75,353	-	-	4,348,686
<b>Total assets</b>	<b>\$ 9,771,475</b>	<b>\$ 173,283</b>	<b>\$ 178,628</b>	<b>\$ -</b>	<b>\$ 10,123,386</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ -	\$ 398	\$ 102,802	\$ -	\$ 103,200
Accounts payable	188,266	808	-	-	189,074
Payroll deductions and withholdings payable	525,198	-	-	-	525,198
Unearned revenues	-	287,421	-	-	287,421
<b>Total liabilities</b>	<b>713,464</b>	<b>288,627</b>	<b>102,802</b>	<b>-</b>	<b>1,104,893</b>

See accompanying notes to the financial statements.



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2024**

	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	3,850,137	-	-	-	3,850,137
Emergency reserve account	58,167	-	-	-	58,167
Maintenance reserve account	365,029	-	-	-	365,029
Capital projects fund	-	-	201	-	201
Scholarships	-	5,265	-	-	5,265
Student activities	-	69,690	-	-	69,690
Committed fund balance					
Year-end encumbrances	1,599,311	-	75,625	-	1,674,936
Assigned fund balance					
Designated for subsequent year's expenditures	485,908	-	-	-	485,908
Unassigned fund balance	1,129,459	(190,299)	-	-	939,160
Total fund balances	<u>9,058,011</u>	<u>(115,344)</u>	<u>75,826</u>	<u>-</u>	<u>9,018,493</u>
Total liabilities and fund balances	<u>\$ 9,771,475</u>	<u>\$ 173,283</u>	<u>\$ 178,628</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. The cost of assets is \$73,963,759, and the accumulated depreciation is \$32,686,895.	41,276,864
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	831,770
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.	(14,123,620)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(118,360)</u>
Total net position of governmental activities	<u>\$ 36,885,147</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, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 32,316,089	\$ -	\$ -	\$ 2,047,658	\$ 34,363,747
Tuition fees	4,200	-	-	-	4,200
Interest on investments	147,162	-	-	-	147,162
Local contributions	-	171,247	-	-	171,247
Miscellaneous	155,658	-	-	-	155,658
Rents and royalties	23,035	-	-	-	23,035
Total local sources	<u>32,646,144</u>	<u>171,247</u>	<u>-</u>	<u>2,047,658</u>	<u>34,865,049</u>
State sources	11,510,228	1,141,197	178,628	7,105	12,837,158
Federal sources	18,155	829,552	-	-	847,707
Total revenues	<u>44,174,527</u>	<u>2,141,996</u>	<u>178,628</u>	<u>2,054,763</u>	<u>48,549,914</u>
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	9,742,767	640,695	-	-	10,383,462
Special education instruction	3,924,366	11,140	-	-	3,935,506
Other special instruction	1,022,145	60,523	-	-	1,082,668
Other instruction	287,831	-	-	-	287,831
Support service and undistributed costs					
Tuition	290,883	387,274	-	-	678,157
Student and instruction related services	4,559,179	1,259,174	-	-	5,818,353
General and business administrative services	1,103,549	-	-	-	1,103,549
School administrative services	1,499,254	-	-	-	1,499,254
Plant operations and maintenance	3,094,337	83,499	-	-	3,177,836
Pupil transportation	1,516,866	-	-	-	1,516,866
Unallocated benefits	15,532,208	20,514	-	-	15,552,722

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, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (continued)					
Capital outlay	\$ 1,599,692	\$ 26,907	\$ 499,456	\$ -	\$ 2,126,055
Debt service					
Principal	-	-	-	1,755,000	1,755,000
Interest and other charges	67,811	-	-	299,763	367,574
Total expenditures	<u>44,240,888</u>	<u>2,489,726</u>	<u>499,456</u>	<u>2,054,763</u>	<u>49,284,833</u>
Excess (deficiency) of revenues over (under) expenditures	(66,361)	(347,730)	(320,828)	-	(734,919)
Other financing sources (uses)					
Transfers in (out)	<u>(545,274)</u>	<u>148,620</u>	<u>396,654</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(545,274)</u>	<u>148,620</u>	<u>396,654</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(611,635)	(199,110)	75,826	-	(734,919)
Fund balances, July 1	<u>9,669,646</u>	<u>83,766</u>	<u>-</u>	<u>-</u>	<u>9,753,412</u>
Fund balances, June 30	<u><u>\$ 9,058,011</u></u>	<u><u>\$ (115,344)</u></u>	<u><u>\$ 75,826</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,018,493</u></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, 2024**

Total net changes in fund balances - governmental fund (from B-2)	\$ (734,919)
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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	\$ 2,126,055	
Depreciation expense	<u>(1,931,148)</u>	194,907

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	1,755,000
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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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**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, 2024**

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.	\$ 560,949
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.	35,407
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>(31,447)</u>
Change in net position of governmental activities	<u><u>\$ 1,940,895</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, 2024**

	Food Service Fund	Summer Enrichment Fund	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 265,791	\$ 54,456	\$ 320,247
Receivables from other governments			
State	1,035	-	1,035
Federal	13,819	-	13,819
Inventory	9,669	-	9,669
Total current assets	<u>290,314</u>	<u>54,456</u>	<u>344,770</u>
Noncurrent assets			
Capital assets	454,239	-	454,239
Less: accumulated depreciation	204,058	-	204,058
Total noncurrent assets	<u>250,181</u>	<u>-</u>	<u>250,181</u>
Total assets	<u>540,495</u>	<u>54,456</u>	<u>594,951</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	62,649	-	62,649
Unearned revenues	-	22,020	22,020
Unearned revenues - commodities	1,791	-	1,791
Unearned revenues - prepaid sales	11,755	-	11,755
Total liabilities	<u>76,195</u>	<u>22,020</u>	<u>98,215</u>
<b>Net position</b>			
Net investment in capital assets	250,181	-	250,181
Unrestricted	214,119	32,436	246,555
Total net position	<u>\$ 464,300</u>	<u>\$ 32,436</u>	<u>\$ 496,736</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, 2024**

	Food Service Fund	Summer Enrichment Fund	Total
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 372,620	\$ -	\$ 372,620
Daily sales - non-reimbursable programs	208,900	-	208,900
Summer program fees	-	25,945	25,945
Total operating revenues	<u>581,520</u>	<u>25,945</u>	<u>607,465</u>
Operating expenses			
Cost of sales - reimbursable programs	216,659	-	216,659
Cost of sales - non-reimbursable programs	84,145	-	84,145
Commodity food costs	79,261	-	79,261
Salaries	259,064	16,833	275,897
Employee benefits	35,737	1,388	37,125
Purchased professional services	8,395	-	8,395
Purchased property services	13,403	-	13,403
Other purchased services			
Insurance	40,634	-	40,634
Management fee	18,480	-	18,480
General supplies	38,699	2,148	40,847
Depreciation	26,858	-	26,858
Total operating expenses	<u>821,335</u>	<u>20,369</u>	<u>841,704</u>
Operating income (loss)	<u>(239,815)</u>	<u>5,576</u>	<u>(234,239)</u>
Non-operating revenues (expenses)			
State sources			
State school breakfast program	10,878	-	10,878
State school lunch program	507	-	507
Federal sources			
National school breakfast program	11,436	-	11,436
National school lunch program			
Cash assistance	136,817	-	136,817
Non-cash assistance (commodities)	79,261	-	79,261
P-EBT Administrative	653	-	653
Supply chain assistance	36,022	-	36,022
Miscellaneous	265	-	265
Interest earned on investments	4,601	-	4,601
Total non-operating revenues (expenses)	<u>280,440</u>	<u>-</u>	<u>280,440</u>
Change in net position	40,625	5,576	46,201
Net position, beginning	423,675	26,860	450,535
Net position, ending	<u>\$ 464,300</u>	<u>\$ 32,436</u>	<u>\$ 496,736</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, 2024**

	Food Service Fund	Summer Enrichment Fund	Total
Cash flows from operating activities			
Receipts from customers (net)	\$ 576,221	\$ 22,190	\$ 598,411
Payments to employees	(24,687)	(16,833)	(41,520)
Payments for employee benefits	(2,037)	(1,388)	(3,425)
Payments to Food Service Management Company	(616,991)	-	(616,991)
Payments to vendors (net)	(54,856)	(2,148)	(57,004)
Net cash provided by (used for) operating activities	<u>(122,350)</u>	<u>1,821</u>	<u>(120,529)</u>
Cash flows from non-capital financing activities			
State sources	11,117	-	11,117
Federal sources	185,804	-	185,804
Interfund activity	32,033	-	32,033
Miscellaneous	265	-	265
Net cash provided by (used for) noncapital financing activities	<u>229,219</u>	<u>-</u>	<u>229,219</u>
Cash flows from capital financing activities			
Acquisition of equipment	(168,540)	-	(168,540)
Net cash provided by (used for) capital financing activities	<u>(168,540)</u>	<u>-</u>	<u>(168,540)</u>
Cash flows from investing activities			
Interest earned on investments	4,601	-	4,601
Net cash provided by (used for) investing activities	<u>4,601</u>	<u>-</u>	<u>4,601</u>
Net increase (decrease) in cash and cash equivalents	(57,070)	1,821	(55,249)
Cash and cash equivalents, beginning	322,861	52,635	375,496
Cash and cash equivalents, ending	<u>\$ 265,791</u>	<u>\$ 54,456</u>	<u>\$ 320,247</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (239,815)	\$ 5,576	\$ (234,239)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	26,858	-	26,858
Federal food donation program	79,261	-	79,261
(Increase) decrease in inventory	694	-	694
Increase (decrease) in accounts payable	16,315	-	16,315
Increase (decrease) in unearned revenues	(5,663)	(3,755)	(9,418)
Net cash provided by (used for) operating activities	<u>\$ (122,350)</u>	<u>\$ 1,821</u>	<u>\$ (120,529)</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, 2024 of 1,450 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 unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

*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 2023-2024 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, 2024.

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:

<u>Assets</u>	<u>Years</u>
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. 16, *Accounting for 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, 2024, 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, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	9,542,947
Total bank balances	<u>\$ 9,792,947</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 4,781,550
Enterprise funds, Statement of Net Position	B-4	320,247
Restricted cash		
Governmental funds, Balance Sheet	B-1	4,348,686
Total cash		<u>\$ 9,450,483</u>

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2024 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	193,649	1,124,136	925,825	391,960
Total	<u>606,011</u>	<u>1,124,136</u>	<u>925,825</u>	<u>804,322</u>
Capital assets, being depreciated				
Land improvements	4,227,035	161,506	-	4,388,541
Building & improvements	60,771,332	1,015,364	-	61,786,696
Furniture & equipment	3,586,940	351,601	-	3,938,541
Vehicles	2,646,386	399,273	-	3,045,659
Total	<u>71,231,693</u>	<u>1,927,744</u>	<u>-</u>	<u>73,159,437</u>
Accumulated depreciation				
Land improvements	2,376,549	142,662	-	2,519,211
Building & improvements	24,084,820	1,343,749	-	25,428,569
Furniture & equipment	2,589,636	219,948	-	2,809,584
Vehicles	1,704,742	224,789	-	1,929,531
Total	<u>30,755,747</u>	<u>1,931,148</u>	<u>-</u>	<u>32,686,895</u>
Total capital assets, being depreciated, net	<u>40,475,946</u>	<u>(3,404)</u>	<u>-</u>	<u>40,472,542</u>
Transfers	<u>-</u>	<u>(925,825)</u>	<u>(925,825)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 41,081,957</u>	<u>\$ 194,907</u>	<u>\$ -</u>	<u>\$ 41,276,864</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	\$ 285,699	\$ 168,540	\$ -	\$ 454,239
Less: accumulated depreciation	177,200	26,858	-	204,058
Business type activities capital assets, net	<u>\$ 108,499</u>	<u>\$ 141,682</u>	<u>\$ -</u>	<u>\$ 250,181</u>

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

Instruction	
Regular	\$ 731,200
Special education	260,825
Other special instruction	71,237
Other instruction	22,017
Support services	
Student & instruction	396,922
General & business administration	80,664
School administration	102,470
Plant maintenance	59,788
Transportation	206,025
Total depreciation expense, governmental activities	<u>\$ 1,931,148</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 7,475,000	\$ -	\$ 1,755,000	\$ 5,720,000	\$ 1,840,000
Unamortized bond premium	489,402	-	160,998	328,404	160,998
PERS net pension liability	7,255,457	402,703	-	7,658,160	-
Compensated absences payable	385,609	31,447	-	417,056	-
Total governmental activities long-term liabilities	<u>\$ 15,605,468</u>	<u>\$ 434,150</u>	<u>\$ 1,915,998</u>	<u>\$ 14,123,620</u>	<u>\$ 2,000,998</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, 2024, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,840,000	\$ 222,887	\$ 2,062,887
2026	1,925,000	141,125	2,066,125
2027	1,955,000	56,125	2,011,125
Total	<u>\$ 5,720,000</u>	<u>\$ 420,137</u>	<u>\$ 6,140,137</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2024, 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.	\$ 2,110,000
\$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>3,610,000</u>
Total general obligation bonds	<u>\$ 5,720,000</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, 2024 is \$113,016,414. General obligation debt at June 30, 2024 is \$5,720,000, resulting in a legal debt margin of \$107,296,414.

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](http://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:

<u>Tier</u>	<u>Member Eligibility</u>
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. 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, 2022 through June 30, 2023. 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 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, 2023 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, 2023 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 2023, 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 will not be 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 will be 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, 2024 was 17.04% 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.

**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, 2023:

Net pension liability	\$ 7,658,160
Proportionate share	0.0528718734%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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%
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Investment rate of return	7.00%
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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, 2022 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, 2023 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, 2023 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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%)	\$	7,658,160
At a 1% lower rate (6.00%)		10,053,344
At a 1% higher rate (8.00%)		5,739,059

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 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	\$ 73,222	\$ 31,304
Changes of assumptions	16,823	464,117
Net difference between projected and actual earnings on pension plan investments	35,267	-
Changes in proportion and differences between District contributions and proportionate share of contributions	876,049	380,817
District contributions subsequent to the measurement date	706,647	-
Total	<u>\$ 1,708,008</u>	<u>\$ 876,238</u>

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, 2024, the Plan measurement date is June 30, 2023) of \$706,647 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

**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, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 52,367	\$ 20,855	\$ 73,222
Changes of assumptions	22,480	(5,657)	16,823
Differences between expected and actual experience	300,297	(265,030)	35,267
Deferred inflows of resources			
Differences between expected and actual experience	(46,180)	14,876	(31,304)
Changes of assumptions	(1,086,429)	622,312	(464,117)
Net changes	<u>\$ (757,465)</u>	<u>\$ 387,356</u>	<u>\$ (370,109)</u>

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,

2024	\$ (404,322)
2025	(225,677)
2026	315,368
2027	(56,439)
2028	960
Total	<u>\$ (370,110)</u>

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, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, 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, 2024, the District recognized net pension expense (benefit) of \$154,031, which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$77,191) plus the net amortization of deferred amounts from changes in proportion of \$323,263, plus the pension expense related to specific liabilities of individual employers \$8,334, plus other adjustments to the net pension liability of (\$100,375). 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, 2023 measurement date are as follows:

Service cost	\$ 640,651
Interest on total pension liability	2,419,404
Benefit changes	-
Member contributions	(516,685)
Administrative expense	11,306
Expected investment return net of investment expense	(1,426,121)
Pension expense related to specific liabilities of individual employers	(9,521)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	41,765
Changes of assumptions	(1,168,275)
Difference between projected and actual investment earnings on pension plan investments	(69,715)
Pension expense (benefit)	<u>\$ (77,191)</u>

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](http://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 2023, 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, 2023, the State of New Jersey contributed \$5,420,223 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, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 101,625,967
Less: State proportionate share of net pension liability	35,239,339
Net pension liability	<u>\$ 66,386,628</u>
Proportionate share	0.1300865280%

Plan fiduciary net position as a percentage of the total pension liability	34.68%
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Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 - 4.25%
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.

The actuarial assumptions used in the July 1, 2022 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)

B. Teacher's Pension and Annuity Fund (TPAF) (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, 2023 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, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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%)	\$ 66,386,628
At a 1% lower rate (6.00%)	78,281,881
At a 1% higher rate (8.00%)	56,367,998

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, 2023 measurement date are as follows:

Service cost	\$ 1,772,062
Interest on total pension liability	6,843,852
Benefit changes	-
Member contributions	(1,211,915)
Administrative expense	17,642
Expected investment return net of investment expense	(2,213,304)
Pension expense related to specific liabilities of individual employers	(584)
Recognition (amortization) of deferred inflows/outflows of resources	-
Differences between projected and actual experience	254,274
Changes of assumptions	(3,960,299)
Difference between projected and actual investment earnings on pension plan investments	129,198
Pension expense (benefit)	<u>\$ 1,630,926</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 2024) 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](http://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, 2024 was \$15,288.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$1,554,133 to the TPAF for postretirement medical benefits, \$64,388 for non-contributory insurance premiums, \$2,063 for long-term disability insurance, and \$5,645,904 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 \$1,225,076 during the fiscal year ended June 30, 2024 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 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notice.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, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	72,289,649
Employer OPEB expense and related revenue	2,344,742
Allocable proportionate percentage	0.1380583382%

**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, 2022	\$ 69,254,990
Service cost	2,904,350
Interest cost	2,545,953
Differences between expected and actual experiences	(641,982)
Changes of assumptions	145,706
Member contributions	65,244
Gross benefit payments	(1,984,612)
Total OPEB liability at June 30, 2023	<u>\$ 72,289,649</u>

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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 (based on years of service)	PERS (based on years of service)
Salary increases	2.75% - 4.25%	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, 2022 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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.65%. 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, 2023 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 (3.65%)	\$ 72,289,649
At a 1% lower rate (2.65%)	84,747,203
At a 1% higher rate (4.65%)	62,287,679

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

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 72,289,649
At a 1% lower rate (1% decrease)	60,011,554
At a 1% higher rate (1% increase)	88,355,568



**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, 2023, the District recognized OPEB expense of \$2,344,742 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 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, 2024 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 103,200	\$ -
Special revenue fund	-	398
Capital projects fund	-	102,802
Total	\$ 103,200	\$ 103,200

The balance due from the capital projects fund to the general fund of \$102,802 represents a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The balance of \$398 due from the special revenue fund to the general fund represents charges due to the general fund from the special revenue fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$ 4,849
Supplies	4,820
Total	\$ 9,669

**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	\$ 4,911,825	\$ 263,853	\$ 43,613	\$ 167,846	\$ 1,537,000	\$ 3,850,137
Emergency	227,264	-	903	-	170,000	58,167
Maintenance	795,029	-	-	-	430,000	365,029
Total	<u>\$ 5,934,118</u>	<u>\$ 263,853</u>	<u>\$ 44,516</u>	<u>\$ 167,846</u>	<u>\$ 2,137,000</u>	<u>\$ 4,273,333</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, 2024 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. 3,850,137

Emergency reserve account - represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education. 58,167

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). 365,029

**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. 1,599,311

**Assigned fund balance**

Designated for subsequent year's expenditures 485,908

**Unassigned**

Undesignated - represents fund balance which has not been restricted or designated. 1,362,510

Total fund balance - budgetary basis 9,291,062

Last state aid payments not recognized on GAAP basis (233,051)

Total fund balance - GAAP basis \$ 9,058,011

**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, 2024 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, 2024 of (\$3,095,831) 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 (\$190,299) in the special revenue fund as of June 30, 2024 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 June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

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.

Note 19 - Subsequent events

The District has evaluated subsequent events through November 21, 2024, which is the date the financial statements were available to be issued and no additional items were noted for 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, 2024**

	Unaudited				Variance
	Original	Budget	Final		
	Budget	Transfers	Budget	Actual	Final to Actual
Revenue					
Local sources					
Local tax levy	\$ 32,316,089	\$ -	\$ 32,316,089	\$ 32,316,089	\$ -
Tuition from individuals	50,000	-	50,000	4,200	(45,800)
Transportation fees from individuals	4,500	-	4,500	-	(4,500)
Rents and royalties	45,000	-	45,000	23,035	(21,965)
Unrestricted miscellaneous revenues	70,000	-	70,000	258,304	188,304
Interest earned on current expense emergency reserve	-	-	-	903	903
Interest earned on capital reserve funds	4,000	-	4,000	43,613	39,613
Total	32,489,589	-	32,489,589	32,646,144	156,555
State sources					
Categorical Transportation aid	752,795	-	752,795	752,795	-
Extraordinary aid	-	-	-	598,597	598,597
Categorical Special Education aid	1,514,490	-	1,514,490	1,514,490	-
Categorical Security aid	142,002	-	142,002	142,002	-
Other state aid	-	-	-	38,020	38,020
TPAF Pension (on-behalf)	-	-	-	5,645,904	5,645,904
TPAF Non-contributory insurance	-	-	-	64,388	64,388
TPAF Social Security (reimbursed)	-	-	-	1,225,076	1,225,076
TPAF Postretirement benefits	-	-	-	1,554,133	1,554,133
TPAF Long-term disability insurance	-	-	-	2,063	2,063
Total	2,409,287	-	2,409,287	11,537,468	9,128,181
Federal sources					
Medicaid reimbursement	25,304	-	25,304	18,155	(7,149)
Total	25,304	-	25,304	18,155	(7,149)
Total revenues	\$ 34,924,180	\$ -	\$ 34,924,180	\$ 44,201,767	\$ 9,277,587

See independent auditors' report.



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 82,700	\$ (81,700)	\$ 1,000	\$ -	\$ 1,000
Kindergarten	644,900	(11,527)	633,373	633,373	-
Grades 1-5	5,159,112	(128,941)	5,030,171	5,012,295	17,876
Grades 6-8	3,512,453	1,544	3,513,997	3,489,497	24,500
Home instruction					
Salaries of teacher	5,000	240	5,240	240	5,000
Purchased professional - educational services	10,000	1,900	11,900	9,141	2,759
Other purchased services	650	(270)	380	-	380
Regular programs - undistributed instruction					
Other salaries for instruction	110,000	(11,282)	98,718	97,298	1,420
Purchased professional - educational services	900	(395)	505	505	-
Other purchased services	67,010	(17,610)	49,400	45,839	3,561
General supplies	405,676	103,607	509,283	289,291	219,992
Textbooks	58,050	106,525	164,575	163,481	1,094
Other objects	1,588	270	1,858	1,807	51
Total	10,058,039	(37,639)	10,020,400	9,742,767	277,633
Special education					
Learning and/or language disabilities					
Salaries of Teachers	170,400	1,395	171,795	170,795	1,000
Other salaries for instruction	79,750	(23,306)	56,444	55,639	805
Other purchased services	5,200	(2,000)	3,200	2,412	788
General supplies	1,000	-	1,000	214	786
Total	256,350	(23,911)	232,439	229,060	3,379
Emotional regulation impairment					
Salaries of Teachers	72,000	760	72,760	71,635	1,125
Other salaries for instruction	53,500	24,126	77,626	77,206	420
Total	125,500	24,886	150,386	148,841	1,545
Resource room/resource center					
Salaries of Teachers	2,320,100	(133,823)	2,186,277	2,174,402	11,875
Other salaries for instruction	505,525	73,878	579,403	576,270	3,133
Other purchased services	-	1,050	1,050	1,049	1
General supplies	27,500	(4,250)	23,250	11,254	11,996
Total	2,853,125	(63,145)	2,789,980	2,762,975	27,005
Autism					
Salaries of Teachers	213,500	21,737	235,237	200,336	34,901
Other salaries for instruction	102,000	32,834	134,834	132,911	1,923
General supplies	8,750	-	8,750	1,978	6,772
Total	324,250	54,571	378,821	335,225	43,596

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Preschool disabilities - part-time					
Salaries of Teachers	\$ 33,600	\$ 16,692	\$ 50,292	\$ 49,992	\$ 300
Other salaries for instruction	204,000	(80,370)	123,630	72,009	51,621
Other purchased services	-	49	49	49	-
Total	237,600	(63,629)	173,971	122,050	51,921
Preschool disabilities - full-time					
Salaries of Teachers	183,000	25,684	208,684	208,684	-
Other salaries for instruction	81,100	42,327	123,427	113,306	10,121
General supplies	3,800	1,951	5,751	4,225	1,526
Total	267,900	69,962	337,862	326,215	11,647
Total special education	4,064,725	(1,266)	4,063,459	3,924,366	139,093
Basic skills/remedial					
Salaries of Teachers	826,730	37,169	863,899	860,399	3,500
General supplies	2,173	(260)	1,913	1,829	84
Total	828,903	36,909	865,812	862,228	3,584
Bilingual education - instruction					
Salaries of Teachers	159,800	575	160,375	157,000	3,375
Other purchased services	2,650	-	2,650	2,201	449
General supplies	900	-	900	716	184
Total	163,350	575	163,925	159,917	4,008
School-sponsored co/extra curricular activities - instruction					
Salaries	135,840	(25,383)	110,457	110,457	-
Purchased services	50	-	50	-	50
Supplies and materials	4,550	(1,136)	3,414	2,028	1,386
Other objects	600	(600)	-	-	-
Total	141,040	(27,119)	113,921	112,485	1,436
School-sponsored athletics - instruction					
Salaries	159,000	(468)	158,532	141,532	17,000
Purchased services	18,307	(600)	17,707	11,879	5,828
Supplies and materials	19,732	4,100	23,832	20,682	3,150
Other objects	1,645	-	1,645	1,253	392
Total	198,684	3,032	201,716	175,346	26,370
Total instruction regular	\$ 15,454,741	\$ (25,508)	\$ 15,429,233	\$ 14,977,109	\$ 452,124
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - regular	\$ -	\$ 38,050	\$ 38,050	\$ 23,497	\$ 14,553
Tuition to priv. school for the disabled w/i state	476,046	(94,300)	381,746	249,595	132,151
Tuition - other	-	18,000	18,000	17,791	209
Total	476,046	(38,250)	437,796	290,883	146,913

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - health services					
Salaries	\$ 377,300	\$ 4,159	\$ 381,459	\$ 370,516	\$ 10,943
Purchased professional and technical services	95,780	(81,100)	14,680	13,931	749
Other purchased services	1,250	1,100	2,350	2,016	334
Supplies and materials	17,600	15,381	32,981	30,019	2,962
Other objects	340	-	340	-	340
Total	492,270	(60,460)	431,810	416,482	15,328
Undistributed expenditures - speech, ot, pt & related services					
Salaries	670,200	(2,989)	667,211	665,211	2,000
Purchased professional - educational services	124,600	(17,300)	107,300	106,651	649
Supplies and materials	4,925	(250)	4,675	3,902	773
Other objects	2,250	2,750	5,000	3,679	1,321
Total	801,975	(17,789)	784,186	779,443	4,743
Undistributed expend - other supp. service stds. - extra service					
Salaries	394,000	(259,592)	134,408	134,408	-
Purchased professional - educational services	65,500	(1,500)	64,000	42,673	21,327
Total	459,500	(261,092)	198,408	177,081	21,327
Undistributed expenditures - guidance					
Salaries of other Professional Staff	537,000	(43,403)	493,597	493,597	-
Other salaries	1,000	(347)	653	623	30
Purchased professional - educational services	2,560	(1,000)	1,560	1,538	22
Other purchased services	7,760	(4,300)	3,460	1,739	1,721
Supplies and materials	6,570	(3,820)	2,750	1,595	1,155
Other objects	1,014	(786)	228	80	148
Total	555,904	(53,656)	502,248	499,172	3,076
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	793,200	(8,246)	784,954	784,954	-
Salaries of Secretarial and Clerical Assistants	172,700	(20,186)	152,514	148,679	3,835
Other salaries	3,300	(3,200)	100	-	100
Unused vacation payment to terminated/retired staff	-	1,302	1,302	1,302	-
Other purchased professional & technical services	108,750	(8,300)	100,450	84,448	16,002
Other purchased services	31,690	(7,967)	23,723	22,572	1,151
Supplies and materials	18,590	4,000	22,590	22,465	125
Total	1,128,230	(42,597)	1,085,633	1,064,420	21,213
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	471,700	(2,547)	469,153	469,153	-
Salaries of other Professional Staff	7,590	(7,590)	-	-	-
Salaries of Secretarial & Clerical Assist	31,940	12,350	44,290	44,290	-
Other purchased services	12,350	(8,330)	4,020	3,571	449
Supplies and materials	4,385	3,666	8,051	6,459	1,592
Other objects	8,905	(2,205)	6,700	6,604	96
Total	536,870	(4,656)	532,214	530,077	2,137

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		
	Budget	Transfers	Budget	Actual	Final to Actual
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 579,200	\$ (417)	\$ 578,783	\$ 577,921	\$ 862
Salaries of technology coordinators	60,400	(606)	59,794	59,794	-
Purchased professional and technical services	7,000	2,148	9,148	61	9,087
Other purchased services	232,198	(45,580)	186,618	184,493	2,125
Supplies and materials	13,757	(3,756)	10,001	8,718	1,283
Other objects	65	15	80	80	-
Total	892,620	(48,196)	844,424	831,067	13,357
Undistributed expenditures - instructional staff training services					
Salaries of other Professional Staff	230,490	(24,405)	206,085	206,085	-
Salaries of Secretarial & Clerical Assist.	51,940	(7,650)	44,290	44,290	-
Purchased professional - educational services	7,600	(7,600)	-	-	-
Other purchased services	24,600	(16,810)	7,790	6,579	1,211
Supplies and materials	5,800	(1,300)	4,500	4,483	17
Total	320,430	(57,765)	262,665	261,437	1,228
Undistributed expend. - support service - general admin.					
Salaries	271,560	(170)	271,390	271,390	-
Legal services	142,000	(49,500)	92,500	42,200	50,300
Audit fees	68,000	(1,000)	67,000	37,650	29,350
Other purchased professional services	25,750	-	25,750	25,601	149
Purchased technical services	5,000	4,000	9,000	4,485	4,515
Communications/telephone	122,770	(31,124)	91,646	79,197	12,449
BOE other purchased services	5,550	-	5,550	4,303	1,247
Miscellaneous purchased services	94,500	3,300	97,800	96,007	1,793
General supplies	11,979	4,250	16,229	16,168	61
BOE in-house training/meeting supplies	500	3,625	4,125	3,489	636
Miscellaneous expenditures	4,000	1,400	5,400	5,326	74
BOE membership dues and fees	18,100	(500)	17,600	17,514	86
Total	769,709	(65,719)	703,990	603,330	100,660
Undistributed expend. - support service - school admin.					
Salaries of Principals/Assistant Principals	882,680	20,209	902,889	902,889	-
Salaries of Secretarial and Clerical Assistants	459,400	2,664	462,064	461,824	240
Other purchased services	42,205	(9,145)	33,060	30,671	2,389
Supplies and materials	33,750	21,791	55,541	35,672	19,869
Other objects	7,665	(234)	7,431	7,338	93
Total	1,425,700	35,285	1,460,985	1,438,394	22,591

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - central services					
Salaries	\$ 454,800	\$ 667	\$ 455,467	\$ 455,467	\$ -
Purchased professional services	1,200	500	1,700	1,461	239
Purchased technical services	27,850	5,400	33,250	29,106	4,144
Miscellaneous purchased services	6,300	(1,900)	4,400	3,868	532
Supplies and materials	2,450	6,400	8,850	8,677	173
Other objects	2,775	(600)	2,175	1,640	535
Total	495,375	10,467	505,842	500,219	5,623
Undistributed expenditures - admin. info. technology					
Salaries	60,400	(605)	59,795	59,795	-
Other purchased services	3,500	(2,000)	1,500	1,065	435
Other objects	1,200	(1,000)	200	-	200
Total	65,100	(3,605)	61,495	60,860	635
Undistributed expend. - required maint. for school facilities					
Salaries	357,300	(3,854)	353,446	351,446	2,000
Cleaning, repair, and maintenance services	572,734	101,711	674,445	321,343	353,102
General supplies	75,000	-	75,000	68,706	6,294
Total	1,005,034	97,857	1,102,891	741,495	361,396
Undistributed expenditures - custodial services					
Salaries	277,500	1,944	279,444	279,444	-
Purchased professional and technical services	42,300	(2,324)	39,976	39,976	-
Cleaning, repair, and maintenance service	928,204	(1,300)	926,904	923,019	3,885
Other purchased property services	34,200	(800)	33,400	32,818	582
Insurance	78,070	-	78,070	78,070	-
Miscellaneous purchased services	7,500	670	8,170	6,692	1,478
General supplies	136,000	39,500	175,500	147,290	28,210
Energy (natural gas)	158,000	24,000	182,000	165,480	16,520
Energy (electricity)	387,000	41,158	428,158	420,722	7,436
Other objects	1,500	500	2,000	1,697	303
Total	2,050,274	103,348	2,153,622	2,095,208	58,414
Undistributed expenditures - care and upkeep of grounds					
Salaries	60,500	(24,319)	36,181	35,840	341
Cleaning, repair, and maintenance service	37,000	(5,200)	31,800	31,742	58
General supplies	20,000	2,318	22,318	22,318	-
Total	117,500	(27,201)	90,299	89,900	399
Undistributed expenditures - security					
Purchased professional and technical services	133,322	54,800	188,122	159,347	28,775
Cleaning, repair, and maintenance service	4,702	1,084	5,786	5,786	-
General supplies	2,000	1,300	3,300	2,601	699
Total	140,024	57,184	197,208	167,734	29,474

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		
	Budget	Transfers	Budget	Actual	Final to Actual
Undistributed expenditures - student transportation service					
Salaries of non-instructional aides	\$ 3,000	\$ 11,469	\$ 14,469	\$ 14,469	\$ -
Salaries for pupil trans. (between home & school) - reg.	604,050	247,367	851,417	851,275	142
Salaries for pupil trans. (between home & school) - sp. ed.	232,000	(141,245)	90,755	90,353	402
Salaries for pupil trans. (other than between home & school)	40,530	(24,770)	15,760	15,760	-
Management fee - ESC & CTSA trans. program	15,500	(6,000)	9,500	6,081	3,419
Other purchased professional and technical service	47,000	(8,000)	39,000	38,675	325
Cleaning, repair, & maint. services	53,350	(33,000)	20,350	19,788	562
Contract service (between home & school) - vendors	132,483	(92,451)	40,032	39,570	462
Contract service (between home & school) - joint agreements	85,848	16,090	101,938	101,938	-
Contract service (sp. ed. stds) - ESCs & CTSA	183,927	(25,000)	158,927	122,758	36,169
Miscellaneous purchased services - transportation	62,161	(3,200)	58,961	58,792	169
General supplies	2,700	1,800	4,500	4,210	290
Transportation supplies	256,649	(45,600)	211,049	147,716	63,333
Other objects	10,060	(4,500)	5,560	5,481	79
Total	1,729,258	(107,040)	1,622,218	1,516,866	105,352
Unallocated benefits - employee benefits					
Social security contributions	495,000	(69,524)	425,476	425,466	10
Other retirement contributions - PERS	700,000	7,162	707,162	707,146	16
Other retirement contributions - regular	20,000	(4,712)	15,288	15,288	-
Unemployment compensation	100,000	(15,661)	84,339	81,781	2,558
Workmen's compensation	352,000	(66,000)	286,000	285,302	698
Health benefits	5,429,000	(295,991)	5,133,009	5,118,359	14,650
Tuition reimbursement	159,635	29,475	189,110	156,160	32,950
Other employee benefits	245,300	(26,816)	218,484	214,506	3,978
Unused sick payment to terminated/retired staff	91,399	(39,203)	52,196	36,636	15,560
Total	7,592,334	(481,270)	7,111,064	7,040,644	70,420
On-behalf TPAF Pension contribution	-	-	-	5,645,904	(5,645,904)
On-behalf TPAF Non-contributory insurance	-	-	-	64,388	(64,388)
On-behalf TPAF Postretirement medical benefits	-	-	-	1,554,133	(1,554,133)
On-behalf TPAF Long-term disability insurance	-	-	-	2,063	(2,063)
Reimbursed TPAF Social Security contribution	-	-	-	1,225,076	(1,225,076)
Total	-	-	-	8,491,564	(8,491,564)
Total undistributed expenditures	\$ 21,054,153	\$ (965,155)	\$ 20,088,998	\$ 27,596,276	\$ (7,507,278)
Total current	\$ 36,508,894	\$ (990,663)	\$ 35,518,231	\$ 42,573,385	\$ (7,055,154)

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 16,847	\$ 25,895	\$ 42,742	\$ 17,915	\$ 24,827
Undistributed expenditures - required maint. for school facilities	-	258,185	258,185	67,685	190,500
Undistributed expenditures - custodial services	4,518	8,842	13,360	13,360	-
Undistributed expenditures - care and upkeep of grounds	-	66,708	66,708	-	66,708
Undistributed expenditures - security	-	234	234	234	-
Undistributed expenditures student transportation	3,800	36,357	40,157	7,180	32,977
School buses - regular	568,185	462,436	1,030,621	399,273	631,348
Total equipment	593,350	858,657	1,452,007	505,647	946,360
Facilities acquisition and construction service					
Legal services	-	37,000	37,000	37,000	-
Architectural/engineering services	87,650	300,446	388,096	254,996	133,100
Construction services	440,000	401,712	841,712	711,689	130,023
Land and improvements	-	90,360	90,360	90,360	-
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	595,461	829,518	1,424,979	1,161,856	263,123
Total capital outlay	\$ 1,188,811	\$ 1,688,175	\$ 2,876,986	\$ 1,667,503	\$ 1,209,483
Total expenditures	\$ 37,697,705	\$ 697,512	\$ 38,395,217	\$ 44,240,888	\$ (5,845,671)
Excess (deficiency) of revenues over (under) expenditures	\$ (2,773,525)	\$ (697,512)	\$ (3,471,037)	\$ (39,121)	\$ 3,431,916
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	-	(148,620)	(148,620)	(148,620)	-
Capital reserve - transfer to capital projects fund	(900,000)	503,346	(396,654)	(396,654)	-
Total other financing sources (uses)	(900,000)	354,726	(545,274)	(545,274)	-
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(3,673,525)	(342,786)	(4,016,311)	(584,395)	3,431,916
Fund balances, July 1	9,875,457	-	9,875,457	9,875,457	-
Fund balances, June 30	\$ 6,201,932	\$ (342,786)	\$ 5,859,146	\$ 9,291,062	\$ 3,431,916
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (728,424)	\$ -	\$ (728,424)	\$ (728,424)	\$ -
Increase in capital reserve	-	431,699	431,699	431,699	-
Interest deposit to capital reserve	4,000	-	4,000	43,613	39,613
Withdrawal from capital reserve	(1,170,000)	(367,000)	(1,537,000)	(1,537,000)	-
Interest earned on emergency reserve	-	-	-	903	903
Withdrawal from emergency reserve	(170,000)	-	(170,000)	(170,000)	-
Withdrawal from maintenance reserve	(430,000)	-	(430,000)	(430,000)	-
Budgeted fund balance	(1,179,101)	(407,485)	(1,586,586)	1,804,814	3,391,400
Total	\$ (3,673,525)	\$ (342,786)	\$ (4,016,311)	\$ (584,395)	\$ 3,431,916

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited			Variance
	Original	Budget	Final	
	Budget	Transfers	Budget	Final to Actual
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				3,850,137
Emergency reserve				58,167
Maintenance reserve				365,029
Committed fund balance				
Year-end encumbrances				1,599,311
Assigned fund balance				
Designated for subsequent year's expenditures				485,908
Unassigned fund balance				<u>1,362,510</u>
 Fund balance per budgetary basis				 9,291,062
 Reconciliation to governmental statements (GAAP)				
Last state aid payments not recognized on GAAP basis				<u>(233,051)</u>
 Fund balance per governmental funds (GAAP)				 <u><u>\$ 9,058,011</u></u>

See independent auditors' report.



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 183,141	\$ -	\$ 183,141	\$ 171,247	\$ (11,894)
State sources	1,554,509	-	1,554,509	1,462,416	(92,093)
Federal sources	1,105,487	-	1,105,487	1,067,143	(38,344)
Total revenues	<u>2,843,137</u>	<u>-</u>	<u>2,843,137</u>	<u>2,700,806</u>	<u>(142,331)</u>
Other financing sources					
Transfer from general fund	148,620	-	148,620	148,620	-
Total revenues & other financing sources	<u>\$ 2,991,757</u>	<u>\$ -</u>	<u>\$ 2,991,757</u>	<u>\$ 2,849,426</u>	<u>\$ (142,331)</u>
Expenditures					
Instruction					
Salaries	\$ 479,954	\$ (153,690)	\$ 326,264	\$ 322,056	\$ 4,208
Purchased professional and technical services	15,034	20,250	35,284	32,693	2,591
Other purchased services	415,183	(387,274)	27,909	27,407	502
General supplies	255,259	120,284	375,543	330,121	45,422
Total	<u>1,165,430</u>	<u>(400,430)</u>	<u>765,000</u>	<u>712,277</u>	<u>52,723</u>
Support services					
Tuition	-	387,274	387,274	387,274	-
Salaries	111,805	5,218	117,023	117,023	-
Employee benefits	251,179	(183,061)	68,118	58,184	9,934
Purchased professional and technical services	981,671	(15,543)	966,128	945,212	20,916
Plant operations and maintenance	20,000	146,000	166,000	148,702	17,298
Other purchased services	83,176	(50,577)	32,599	32,599	-
Travel	3,000	-	3,000	1,711	1,289
Supplies and materials	4,560	44,469	49,029	9,797	39,232
Other objects	750	1,150	1,900	1,216	684
Student activities	178,797	-	178,797	178,797	-
Scholarships	200	-	200	200	-
Total	<u>1,635,138</u>	<u>334,930</u>	<u>1,970,068</u>	<u>1,880,715</u>	<u>89,353</u>
Capital outlay					
Instructional equipment	-	255	255	-	255
Non-instructional equipment	200,000	65,245	265,245	265,245	-
Total	<u>200,000</u>	<u>65,500</u>	<u>265,500</u>	<u>265,245</u>	<u>255</u>
Total expenditures	<u>\$ 3,000,568</u>	<u>\$ -</u>	<u>\$ 3,000,568</u>	<u>\$ 2,858,237</u>	<u>\$ 142,331</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (8,811)	\$ -	\$ (8,811)	\$ (8,811)	\$ -
Fund balances, July 1	<u>83,766</u>	<u>-</u>	<u>83,766</u>	<u>83,766</u>	<u>-</u>
Fund balances, June 30	<u>\$ 74,955</u>	<u>\$ -</u>	<u>\$ 74,955</u>	<u>\$ 74,955</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				\$ 5,265	
Student activities				69,690	
Fund balance per budgetary basis				<u>74,955</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(190,299)	
Fund balance per governmental funds (GAAP)				<u>\$ (115,344)</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, 2024**

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 44,201,767	\$ 2,700,806
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	-	19,922
Outstanding encumbrances - current year	-	(388,433)
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	205,811	-
State aid receivable current year	(233,051)	(190,299)
Total revenues (GAAP basis)	<u>\$ 44,174,527</u>	<u>\$ 2,141,996</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 44,240,888	\$ 2,858,237
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	-	19,922
Outstanding encumbrances - current year	-	(388,433)
Total expenditures (GAAP basis)	<u>\$ 44,240,888</u>	<u>\$ 2,489,726</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) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.0480161369%	\$ 10,778,661	\$ 3,084,486	349.45%	47.93%
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	N/A	N/A	4,147,560	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
2015	\$ 377,389	\$ (377,389)	\$ -	\$ 3,084,486	12.24%
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%

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)	Plan fiduciary net position as
	District's proportion		State's proportion	Total		as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
2015	0.00%	\$ -	\$ 89,215,568	\$ 89,215,568	\$ 13,835,859	0.00%	28.71%
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	N/A	N/A	N/A	N/A	16,858,517	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
2015	\$ 763,132	\$ (763,132)	\$ -	\$ 13,835,859	5.52%
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%

See independent auditors' report.



**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)			Total	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				
	Percentage	Value					
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	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, 2024**

- 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 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven 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, 2024**

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title III	ESSA Title IV	ARP ESSER	ARP Learning Acceleration	ARP Summer Learning
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	-
Federal sources	392,414	15,014	60,523	24,769	25,816	10,000	172,435	104,471	15,068
Total revenues	392,414	15,014	60,523	24,769	25,816	10,000	172,435	104,471	15,068
Other financing sources									
Transfer from general fund	-	-	-	-	-	-	-	-	-
Total revenue and other financing sources	\$ 392,414	\$ 15,014	\$ 60,523	\$ 24,769	\$ 25,816	\$ 10,000	\$ 172,435	\$ 104,471	\$ 15,068
Expenditures									
Instruction									
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,654	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	1,037	200	10,000	13,203	-
Other purchased services	5,140	-	-	21,769	-	-	-	-	-
General supplies	-	6,000	60,523	-	24,279	9,800	8	44,669	15,068
Total	5,140	6,000	60,523	21,769	25,316	10,000	85,662	57,872	15,068
Support services									
Tuition	387,274	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	49,145	-	-
Employee benefits	-	-	-	-	-	-	28,285	-	-
Purchased professional and technical services	-	9,014	-	3,000	-	-	-	46,599	-
Plant operations & maintenance	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	500	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	9,343	-	-
Other objects	-	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-
Total	387,274	9,014	-	3,000	500	-	86,773	46,599	-
Capital outlay									
Non-instructional equipment	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 392,414	\$ 15,014	\$ 60,523	\$ 24,769	\$ 25,816	\$ 10,000	\$ 172,435	\$ 104,471	\$ 15,068
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2024**

	ARP Beyond the School Day	NJTSS Mental Health	Clean School Bus	Preschool Expansion Aid	SDA Emergent and Capital Maintenance Needs	Local Grants	Scholarships	Student Activities	Total
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,061	\$ -	\$ 170,186	\$ 171,247
State sources	-	-	-	1,430,317	32,099	-	-	-	1,462,416
Federal sources	9,003	37,630	200,000	-	-	-	-	-	1,067,143
Total revenues	9,003	37,630	200,000	1,430,317	32,099	1,061	-	170,186	2,700,806
Other financing sources									
Transfer from general fund	-	-	-	148,620	-	-	-	-	148,620
Total revenue and other financing sources	\$ 9,003	\$ 37,630	\$ 200,000	\$ 1,578,937	\$ 32,099	\$ 1,061	\$ -	\$ 170,186	\$ 2,849,426
Expenditures									
Instruction									
Salaries	\$ -	\$ -	\$ -	\$ 246,402	\$ -	\$ -	\$ -	\$ -	\$ 322,056
Purchased professional and technical services	8,253	-	-	-	-	-	-	-	32,693
Other purchased services	-	-	-	498	-	-	-	-	27,407
General supplies	-	-	-	168,774	-	1,000	-	-	330,121
Total	8,253	-	-	415,674	-	1,000	-	-	712,277
Support services									
Tuition	-	-	-	-	-	-	-	-	387,274
Salaries	-	20,855	-	47,023	-	-	-	-	117,023
Employee benefits	-	9,385	-	20,514	-	-	-	-	58,184
Purchased professional and technical services	750	7,390	-	878,459	-	-	-	-	945,212
Plant operations & maintenance	-	-	-	148,702	-	-	-	-	148,702
Other purchased services	-	-	-	-	32,099	-	-	-	32,599
Travel	-	-	-	1,711	-	-	-	-	1,711
Supplies and materials	-	-	-	393	-	61	-	-	9,797
Other objects	-	-	-	1,216	-	-	-	-	1,216
Student activities	-	-	-	-	-	-	-	178,797	178,797
Scholarships	-	-	-	-	-	-	200	-	200
Total	750	37,630	-	1,098,018	32,099	61	200	178,797	1,880,715
Capital outlay									
Non-instructional equipment	-	-	200,000	65,245	-	-	-	-	265,245
Total	-	-	200,000	65,245	-	-	-	-	265,245
Total expenditures	\$ 9,003	\$ 37,630	\$ 200,000	\$ 1,578,937	\$ 32,099	\$ 1,061	\$ 200	\$ 178,797	\$ 2,858,237
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200)	\$ (8,611)	\$ (8,811)
Fund balances, July 1	-	-	-	-	-	-	5,465	78,301	83,766
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265	\$ 69,690	\$ 74,955

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, 2024**

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 204,691	\$ 202,737	\$ 1,954
Other salaries for instruction	45,918	43,665	2,253
Other purchased services	1,000	498	502
Supplies	184,577	168,774	15,803
Total	<u>436,186</u>	<u>415,674</u>	<u>20,512</u>
Support services			
Salaries - other professional staff	937	937	-
Salaries - community parent involvement	8,101	8,101	-
Salaries - master teachers	37,985	37,985	-
Employee benefits	30,448	20,514	9,934
Purchased professional and technical services	892,005	878,459	13,546
Plant operations and maintenance	166,000	148,702	17,298
Travel	3,000	1,711	1,289
Supplies	28,968	393	28,575
Other objects	1,900	1,216	684
Total	<u>1,169,344</u>	<u>1,098,018</u>	<u>71,326</u>
Capital outlay			
Instructional equipment	255	-	255
Non-instructional equipment	65,245	65,245	-
Total	<u>65,500</u>	<u>65,245</u>	<u>255</u>
Total expenditures	<u>\$ 1,671,030</u>	<u>\$ 1,578,937</u>	<u>\$ 92,093</u>
Calculation of Budget & Carryover			
Total revised 2023 - 2024 preschool education aid allocation			\$ 1,522,410
Add: actual ECPA/PEA carryover (June 30, 2023)			-
Add: budgeted transfer from general fund			<u>148,620</u>
Total preschool education aid funds available for 2023 - 2024 budget			1,671,030
Less: 2023 - 2024 budgeted preschool education aid			<u>(1,671,030)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024			-
Add: 2023 - 2024 unexpended preschool education aid			<u>92,093</u>
2023 - 2024 Actual carryover preschool education aid			<u>\$ 92,093</u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025			<u>\$ -</u>

## **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, 2024**

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/24
			Prior Years	Current Year	
Roof replacement and HVAC	09/18/23	\$ 617,500	\$ -	\$ 499,456	\$ 118,044
		<u>\$ 617,500</u>	<u>\$ -</u>	<u>\$ 499,456</u>	<u>\$ 118,044</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, 2024**

Revenues and other financing sources	
Local sources - transfer from capital reserve	\$ 396,654
State sources - SDA aid	220,846
Total revenues and other financing sources	<u>617,500</u>
Expenditures and other financing uses	
Purchased professional and technical services	10,581
Construction services	488,875
Total expenditures and other financing uses	<u>499,456</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	118,044
Fund balance - beginning	<u>-</u>
Fund balance - ending	<u><u>\$ 118,044</u></u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund balance - budgetary basis (schedule F-2)	\$ 118,044
Receivables from other governments - state	
GAAP basis (schedule B-1)	178,628
Budgetary basis (schedule K-4)	<u>(220,846)</u>
Fund balance - GAAP basis (schedule B-1)	<u><u>\$ 75,826</u></u>

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Security Surveillance Upgrades at All Four Schools**  
**For the Fiscal Year Ended June 30, 2024**

	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	-	617,500	617,500	617,500
Expenditures and other financing uses				
Purchased professional and technical services	-	10,581	10,581	53,000
Construction services	-	488,875	488,875	564,500
Total expenditures	-	499,456	499,456	617,500
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 118,044	\$ 118,044	\$ -

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
Decrease in authorized cost	65,385
Revised authorized cost	617,500
Percentage completion	81%

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, 2024**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		07/01/23			06/30/24
Refunding school bonds of 2013	10/09/13	\$ 7,905,000	01/01/25	\$ 685,000	3.25%	\$ 2,770,000	\$ -	\$ 660,000	\$ 2,110,000
			01/01/26	700,000	3.38%	-	-	-	-
			01/01/27	725,000	3.50%	-	-	-	-
Refunding school bonds of 2017	05/23/17	8,495,000	07/15/24	1,155,000	5.00%	4,705,000	-	1,095,000	3,610,000
			07/15/25	1,225,000	5.00%	-	-	-	-
			07/15/26	1,230,000	5.00%	-	-	-	-
						<u>\$ 7,475,000</u>	<u>\$ -</u>	<u>\$ 1,755,000</u>	<u>\$ 5,720,000</u>

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources - debt service tax levy	\$ 2,047,658	\$ -	\$ 2,047,658	\$ 2,047,658	\$ -
State sources - debt service aid	7,105	-	7,105	7,105	-
Total revenues	<u>2,054,763</u>	<u>-</u>	<u>2,054,763</u>	<u>2,054,763</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of bond principal	1,755,000	-	1,755,000	1,755,000	-
Interest on bonds	299,763	-	299,763	299,763	-
Total expenditures	<u>2,054,763</u>	<u>-</u>	<u>2,054,763</u>	<u>2,054,763</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
<b>FINANCIAL TRENDS</b>	
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
<b>REVENUE CAPACITY</b>	
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
<b>DEBT CAPACITY</b>	
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
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
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
<b>OPERATING INFORMATION</b>	
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
<b>Sources:</b> 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in										
capital assets	\$ 21,148,418	\$ 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
Restricted	4,899,507	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
Unrestricted	(7,173,776)	(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)
Total governmental activities	<u>\$ 18,874,149</u>	<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>
						*				
Business-type activities										
Net investment in										
capital assets	\$ 34,979	\$ 29,968	\$ 29,229	\$ 24,325	\$ 57,736	\$ 49,423	\$ 41,655	\$ 109,243	\$ 108,499	\$ 250,181
Unrestricted	85,779	130,949	172,229	171,111	132,026	115,435	139,356	268,134	342,036	246,555
Total business-type activities	<u>\$ 120,758</u>	<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>
District-wide										
Net investment in										
capital assets	\$ 21,183,397	\$ 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
Restricted	4,899,507	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
Unrestricted	(7,087,997)	(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)
Total district-wide	<u>\$ 18,994,907</u>	<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>
						*				

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 14,792,796	\$ 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
Special education	5,374,421	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
Other special education	1,354,506	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
Other instruction	381,331	425,542	445,971	484,552	439,310	509,542	217,292	399,566	523,682	545,869
Support services										
Tuition	787,923	583,148	602,237	975,604	1,075,150	935,044	762,399	675,274	781,921	678,157
Student and instruction related services	6,189,717	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
General and business administrative services	1,621,382	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
School administration	1,964,952	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
Plant operations and maintenance	2,413,523	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
Pupil transportation	1,714,418	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
Interest on long-term debt	842,475	802,887	649,110	657,835	421,416	421,510	370,342	305,984	245,293	171,169
Total governmental activities expenses	<u>37,437,444</u>	<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>
Business-type activities										
Food service	567,851	488,618	475,181	535,128	549,895	420,413	183,850	796,619	807,907	821,335
Summer program	20,901	17,509	15,676	10,677	13,153	9,393	-	12,023	15,344	20,369
Total business-type activities	<u>588,752</u>	<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>
Total district expenses	<u>\$ 38,026,196</u>	<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>

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,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Program revenues											
Governmental activities											
Charges for services											
Regular instruction	\$ 76,222	\$ 51,592	\$ 54,865	\$ 49,299	\$ 108,943	\$ 106,760	\$ 68,609	\$ 117,788	\$ 107,455	\$ 51,605	
Special education instruction	43,193	16,841	15,109	-	-	-	-	-	-	-	
Student & instruction related services	117,918	120,276	121,044	150,154	150,844	185,757	184,659	111,224	213,528	170,186	
Plant operations and maintenance	54,191	52,186	53,176	49,091	47,833	60,062	-	-	-	-	
Pupil transportation	31,794	11,881	78,654	23,869	65,164	18,277	578	4,800	49,553	22,908	
Operating grants and contributions	564,735	440,978	537,585	532,138	570,690	460,009	624,336	673,203	878,110	1,971,810	
Capital grants and contributions	477,251	64,689	10,147	-	-	-	24,722	-	-	178,628	
Total governmental activities	1,365,304	758,443	870,580	804,551	943,474	830,865	902,904	907,015	1,248,646	2,395,137	
Business-type activities											
Charges for services											
Food service	418,003	411,684	401,220	408,719	425,936	285,918	1,997	116,368	538,366	581,520	
Summer programs	20,350	22,483	14,235	8,007	13,843	8,180	-	22,000	29,720	25,945	
Operating grants and contributions	113,326	111,606	114,565	117,972	115,944	109,131	196,942	866,452	317,164	275,574	
Total business-type activities	551,679	545,773	530,020	534,698	555,723	403,229	198,939	1,004,820	885,250	883,039	
Total district-wide program revenues	\$ 1,916,983	\$ 1,304,216	\$ 1,400,600	\$ 1,339,249	\$ 1,499,197	\$ 1,234,094	\$ 1,101,843	\$ 1,911,835	\$ 2,133,896	\$ 3,278,176	
Net (expense) revenues											
Governmental activities	\$ (36,072,140)	\$ (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)	
Business-type activities	(37,073)	39,646	39,163	(11,107)	(7,325)	(26,577)	15,089	196,178	61,999	41,335	
Total District-wide net expenses	\$ (36,109,213)	\$ (38,421,032)	\$ (42,545,458)	\$ (45,993,615)	\$ (44,117,584)	\$ (42,960,282)	\$ (48,150,215)	\$ (46,309,553)	\$ (45,555,855)	\$ (48,219,376)	

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 26,582,012	\$ 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
Taxes levied for debt service	2,098,623	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
Unrestricted grants and contributions	8,644,779	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
Investment earnings	30,984	33,091	48,130	108,024	124,033	86,954	10,686	6,567	113,646	147,162
Miscellaneous income	109,808	155,465	219,980	29,058	61,699	34,395	47,404	49,290	178,767	155,658
Special item - gain (loss) on disposition of assets	-	26,035	8,101	-	(32,001)	-	-	(2,554)	(3,080)	-
Total governmental activities	<u>37,466,206</u>	<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>
Business-type activities										
Investment earnings	527	513	451	2,448	2,800	1,647	122	136	3,433	4,601
Miscellaneous income	167	-	927	2,637	68	26	942	52	7,726	265
Special item - gain (loss) on disposition of assets	-	-	-	-	(1,217)	-	-	-	-	-
Total business-type activities	<u>694</u>	<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>
Total district-wide	<u>\$ 37,466,900</u>	<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>
Change in net position										
Governmental activities	\$ 1,394,066	\$ 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
Business-type activities	(36,379)	40,159	40,541	(6,022)	(5,674)	(24,904)	16,153	196,366	73,158	46,201
Total district	<u>\$ 1,357,687</u>	<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>

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 5,225,677	\$ 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
Committed	182,693	250,268	60,613	137,866	346,016	320,712	423,159	214,110	728,424	1,599,311
Assigned	-	-	-	19,169	43,876	112,871	84,555	-	379,101	485,908
Unassigned	606,312	605,781	536,855	572,145	643,595	622,417	929,834	923,805	1,043,003	1,129,459
Total general fund	<u>\$ 6,014,682</u>	<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>
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,736	\$ 67,200	\$ 79,422	\$ 83,766	\$ (115,344)
Capital projects fund	1,204,618	1,591,939	340,922	332,562	332,562	103,356	-	-	-	75,826
Assigned, reported in										
Debt service fund	75,758	-	10,868	13,276	2,408	134,134	134,134	-	-	-
Total all other governmental funds	<u>\$ 1,280,376</u>	<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>

\*

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 28,680,635	\$ 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
Tuition charges	119,415	68,433	69,974	49,299	108,943	106,760	44,934	86,029	51,800	4,200
Transportation fees	30,651	5,300	4,410	6,225	7,960	5,200	460	4,800	8,500	-
Interest earnings	30,984	33,091	48,130	108,024	124,033	86,954	10,686	6,567	113,646	147,162
Local contributions	-	-	-	-	111,400	10,553	29,416	115,621	169,521	171,247
Miscellaneous	127,875	135,272	195,787	87,480	108,198	65,110	47,404	49,290	178,767	155,658
Rent and royalties	-	-	-	-	-	-	-	31,759	32,795	23,035
State sources	4,666,750	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
State sources - capital projects	477,251	64,689	10,147	-	-	-	24,722	-	-	178,628
Federal sources	515,143	430,168	516,647	546,780	484,565	464,504	632,889	655,897	974,295	847,707
<b>Total revenues</b>	<b>34,648,704</b>	<b>34,519,583</b>	<b>35,243,733</b>	<b>36,980,745</b>	<b>38,696,959</b>	<b>39,369,144</b>	<b>41,682,626</b>	<b>44,084,044</b>	<b>45,687,690</b>	<b>48,549,914</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	8,561,728	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
Special education instr.	3,149,810	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
Other special instruction	728,214	731,952	824,762	731,185	782,227	720,714	747,424	772,178	937,580	1,022,145
Other instruction	265,499	279,355	272,258	279,909	276,648	268,225	129,123	277,998	289,452	287,831
Support services										
Tuition	435,836	275,801	264,619	578,543	714,126	585,044	405,098	309,140	373,230	290,883
Student & instructional related services	3,682,757	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
General administration	538,087	584,315	561,157	529,140	566,130	586,645	478,430	476,596	555,745	542,470
School admin. services	1,179,916	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
Central services	439,609	433,996	519,533	419,667	433,917	449,157	456,497	468,044	499,698	500,219
Administrative information technology	70,358	74,915	79,946	79,464	83,109	86,511	88,308	57,330	59,245	60,860
Plant operations and maintenance	2,133,662	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
Pupil transportation	1,252,666	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
Employee benefits	5,055,633	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
On-behalf TPAF Pension & Social Security contrib.	2,975,277	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
Capital outlay	493,343	522,825	551,660	852,571	1,224,172	1,217,562	2,098,425	1,807,265	1,731,620	1,599,692

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenditures (cont'd)										
Special revenue funds	\$ 564,735	\$ 440,978	\$ 537,585	\$ 532,138	\$ 570,690	\$ 460,009	\$ 655,067	\$ 772,205	\$ 1,020,852	\$ 2,489,726
Capital projects	1,193,127	319,761	1,658,181	8,360	-	-	-	-	-	499,456
Debt service										
Principal	1,315,000	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
Interest & other charges	857,949	817,774	785,904	607,784	663,274	608,186	551,849	494,599	435,049	367,574
Total expenditures	<u>34,893,206</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>(244,502)</u>	<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>
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>-</u>	<u>1,036,400</u>	<u>902,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (244,502)</u>	<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>
Debt service as a percentage of non-capital expenditures	7.00%	7.05%	6.86%	11.93%	6.12%	5.90%	5.75%	5.29%	5.15%	4.71%

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 30,984	\$ 33,091	\$ 48,129	\$ 108,024	\$ 124,033	\$ 86,954	\$ 10,686	\$ 6,567	\$ 113,646	\$ 147,162
Tuition	119,415	68,434	69,974	49,299	108,943	106,760	44,934	86,029	51,800	4,200
Transportation fees	30,651	5,300	4,410	6,225	7,960	5,200	460	4,800	8,500	-
Building use rental income	43,863	44,585	43,881	42,692	46,499	30,715	-	31,759	32,795	23,035
Prior year refunds	-	-	4,246	1,812	16,548	12,761	31,205	6,151	500	646
Sale of surplus supplies	247	6,052	480	25	18,104	-	-	-	-	-
Prior year accounts payable canceled	-	-	-	283	-	-	-	-	-	-
E-rate telephone rebates	33,948	73,240	91,870	15,266	20,714	16,823	8,256	7,319	102,375	119,299
Sale of assets	-	-	-	1,445	1,349	4,765	4,330	15,956	72,944	4,922
Miscellaneous										
Account balances canceled	-	-	20,000	-	-	1	-	2,204	639	6,829
Refunds	-	360	-	55	-	-	-	14,121	-	23,962
Other	25	224	3,465	10,172	4,984	45	3,613	3,539	2,309	-
Annual totals	<u>\$ 259,133</u>	<u>\$ 231,286</u>	<u>\$ 286,455</u>	<u>\$ 235,298</u>	<u>\$ 349,134</u>	<u>\$ 264,024</u>	<u>\$ 103,484</u>	<u>\$ 178,445</u>	<u>\$ 385,508</u>	<u>\$ 330,055</u>

Source: District Records

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

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 35,541,000	\$ 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
Residential	2,023,142,400	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
Farm regular	126,445,100	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
Q farm	4,213,574	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
Commercial	366,926,100	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
Industrial	51,486,800	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
Apartment	1,368,100	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
Total assessed value	2,609,123,074	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
Public utilities (a)	257,705	257,705	257,705	257,705	483,414	477,438	592,163	592,163	526,900	295,200
Net valuation taxable	<u>\$ 2,609,380,779</u>	<u>\$ 2,593,333,060</u>	<u>\$ 2,612,292,253</u>	<u>\$ 2,605,464,598</u>	<u>\$ 2,614,458,071</u>	<u>\$ 2,629,270,338</u>	<u>\$ 3,308,032,263</u>	<u>\$ 3,311,429,363</u>	<u>\$ 3,289,499,800</u>	<u>\$ 3,337,361,500</u>
Estimated actual county equalized value	<u>\$ 2,980,105,960</u>	<u>\$ 3,078,505,532</u>	<u>\$ 3,233,436,382</u>	<u>\$ 3,207,910,119</u>	<u>\$ 3,200,465,260</u>	<u>\$ 3,258,887,379</u>	<u>\$ 3,180,517,266</u>	<u>\$ 3,538,986,174</u>	<u>\$ 3,731,283,802</u>	<u>\$ 4,070,449,445</u>
Percentage of net valuation to estimated actual equalized value	<u>87.56%</u>	<u>84.24%</u>	<u>80.79%</u>	<u>81.22%</u>	<u>81.69%</u>	<u>80.68%</u>	<u>104.01%</u>	<u>93.57%</u>	<u>88.16%</u>	<u>81.99%</u>
Total direct school tax rate (b)	<u>\$ 1.101</u>	<u>\$ 1.112</u>	<u>\$ 1.122</u>	<u>\$ 1.160</u>	<u>\$ 1.193</u>	<u>\$ 1.216</u>	<u>\$ 0.985</u>	<u>\$ 0.998</u>	<u>\$ 1.032</u>	<u>\$ 1.044</u>
							*	*	*	*

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 abatement;

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	General	(From J-6)				
	Rate (a)	Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	
2015	\$ 1.020	\$ 0.081	\$ 1.101	\$ 0.692	\$ 0.539	\$ 0.423	\$ 2.755
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

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**

	2024			2015		
	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.	\$ 87,784,900	1	2.63%	\$ -		0.00%
Oak St Real Est Cap	62,000,000	2	1.86%	-		0.00%
Readington Commons	50,000,000	3	1.50%	-		0.00%
LFARMS ATTN: Steve Roth	20,605,000	4	0.62%	-		0.00%
Whitehouse Mall	11,500,000	5	0.34%	6,587,400	7	0.25%
Individual Property Owner #1	9,956,200	6	0.30%	9,845,000	5	0.38%
Transcontinental Gas Pipeline	9,592,600	7	0.29%	8,274,600	6	0.32%
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%	153,452,000	1	5.88%
Federal Insurance Co	-		0.00%	55,507,800	2	2.13%
Toll NJ I LLC	-		0.00%	16,237,900	3	0.62%
Lamington River Farms	-		0.00%	12,304,000	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>\$ 276,298,900</u>		<u>8.29%</u>	<u>\$ 278,988,400</u>		<u>10.69%</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
2015	\$ 28,680,635	\$ 28,680,635	100.00%
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%

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				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2015	\$ 20,675,000	\$ -	\$ -	\$ -	\$ -	\$ 20,675,000	1.65%	\$ 1,299
2016	20,295,000	-	-	-	-	20,295,000	1.57%	1,275
2017	18,685,000	-	-	-	-	18,685,000	1.40%	1,176
2018	15,310,000	-	-	-	-	15,310,000	1.13%	961
2019	13,815,000	-	-	-	-	13,815,000	0.99%	870
2020	12,345,000	-	-	-	-	12,345,000	0.85%	778
2021	10,780,000	-	-	-	-	10,780,000	0.71%	680
2022	9,160,000	-	-	-	-	9,160,000	0.56%	565
2023	7,475,000	-	-	-	-	7,475,000	0.45%	459
2024	5,720,000	-	-	-	-	5,720,000	N/A	352

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		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2015	\$ 20,675,000	\$ -	\$ 20,675,000	0.79%	\$ 1,299
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

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.

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2023**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 41,862,350	100.00%	\$ 41,862,350
Regional High School	-	33.42%	-
County general obligation debt	71,347,396	15.05%	<u>10,737,783</u>
Subtotal, overlapping debt			52,600,133
School district direct debt			<u>6,380,000</u>
Total direct and overlapping debt			<u><u>\$ 58,980,133</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 2024

	Equalized Valuation Basis
2023	\$ 4,011,431,760
2022	3,755,486,842
2021	3,534,722,774
	<u>\$ 11,301,641,376</u>
Average equalized valuation of taxable property	<u>\$ 3,767,213,792</u>
Debt limit (3.0% of average equalization value)	\$ 113,016,414
Total net debt applicable to limit	<u>5,720,000</u>
Legal debt margin	<u>\$ 107,296,414</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 96,450,669	\$ 95,936,209	\$ 99,392,056	\$ 104,547,611	\$ 113,016,414
Total net debt applicable	<u>12,345,000</u>	<u>10,780,000</u>	<u>9,160,000</u>	<u>7,475,000</u>	<u>5,720,000</u>
Legal debt margin	<u>\$ 84,105,669</u>	<u>\$ 85,156,209</u>	<u>\$ 90,232,056</u>	<u>\$ 97,072,611</u>	<u>\$ 107,296,414</u>
Total net debt applicable to the limit as a percentage of debt limit	12.80%	11.24%	9.22%	7.15%	5.06%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 93,296,350	\$ 92,221,774	\$ 93,436,605	\$ 95,228,990	\$ 96,147,874
Total net debt applicable	<u>20,675,000</u>	<u>20,295,000</u>	<u>18,685,000</u>	<u>15,310,000</u>	<u>13,815,000</u>
Legal debt margin	<u>\$ 72,621,350</u>	<u>\$ 71,926,774</u>	<u>\$ 74,751,605</u>	<u>\$ 79,918,990</u>	<u>\$ 82,332,874</u>
Total net debt applicable to the limit as a percentage of debt limit	22.16%	22.01%	20.00%	16.08%	14.37%

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**

<u>Fiscal Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2015	15,913	\$ 1,254,931,006	\$ 78,862	3.9%
2016	15,913	1,288,650,653	80,981	3.7%
2017	15,887	1,330,742,781	83,763	3.7%
2018	15,927	1,352,393,424	84,912	3.2%
2019	15,882	1,396,567,788	87,934	2.7%
2020	15,872	1,459,366,912	91,946	7.3%
2021	15,863	1,508,380,944	95,088	4.8%
2022	16,218	1,626,470,784	100,288	2.8%
2023	16,277	1,660,970,188	102,044	3.7%
2024	16,257	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**

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	117.7	109.0	122.5	117.4	125.8	121.2	119.1	122.1	120.5	122.2
Special education	66.1	55.0	60.0	70.3	67.2	67.2	71.2	74.2	71.7	67.4
Other special education	10.5	10.5	11.5	10.3	10.0	10.0	9.0	10.0	11.0	10.1
Support services										
Student and instruction related services	60.3	55.8	49.0	51.4	53.9	54.0	58.0	57.0	49.9	50.7
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	16.0	15.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0	16.0
Other administration services	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Central services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	7.0	6.0
Administrative information technology	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	15.0	11.5	11.0	10.0	10.0	10.0	10.0	10.0	11.0	10.0
Pupil transportation	21.0	21.0	19.0	14.0	15.0	17.0	13.9	12.5	14.3	14.1
Total	<u>317.1</u>	<u>287.8</u>	<u>299.0</u>	<u>299.4</u>	<u>307.9</u>	<u>305.4</u>	<u>306.2</u>	<u>309.8</u>	<u>303.4</u>	<u>299.5</u>

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
2015	1,752	\$ 31,033,787	\$ 17,713	2.29%	196	1 to 8.94	1,754.8	1,684.0	-1.30%	95.97%
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%

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	352	341	331	303	303	307	311	318	322	343
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	333	320	321	301	330	303	276	288	287	314
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	378	372	361	335	321	330	319	299	305	305
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	688	641	607	577	555	532	496	525	492	488
Number of schools at June 30, 2024:										
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	
2015	\$ 91,615	\$ 85,736	\$ 108,262	\$ 159,699	\$ 445,312
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
Total school facilities	<u>\$ 1,140,676</u>	<u>\$ 1,158,407</u>	<u>\$ 1,395,368</u>	<u>\$ 1,942,401</u>	<u>\$ 5,636,852</u>

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, 2024**  
**(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](http://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, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated November 21, 2024.

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

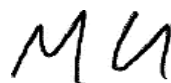
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

November 21, 2024  
Flemington, New Jersey



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://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, 2024. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the 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, 2024.

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. 20CS00265600November 21, 2024  
Flemington, New Jersey

## **SUPPLEMENTARY INFORMATION**

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To						Accounts Receivable	Unearned Revenue	Due to Grantor
General Fund													
U.S. Departments of Education and Health & Human Services													
Medical Assistance Program (SEMI cluster)	93.778	2005NJ5MAP	\$ 18,155	07/01/23	06/30/24	\$ -	\$ -	\$ 18,155	\$ 18,155	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund													
U.S. Department of Education passed through State Department of Education													
Special education cluster (IDEA)													
IDEA Basic	84.027A	H027A230100	369,795	07/01/22	06/30/23	(7,774)	-	7,774	-	-	-	-	-
IDEA Basic	84.027A	H027A240100	392,414	07/01/23	06/30/24	-	-	392,414	392,414	-	-	-	-
IDEA Preschool	84.173A	H173A240114	15,014	07/01/23	06/30/24	-	-	15,014	15,014	-	-	-	-
Total special education cluster (IDEA)						(7,774)	-	415,202	407,428	-	-	-	-
ESSA Title I A	84.010	S010A230030	86,481	07/01/22	06/30/23	-	-	-	-	-	-	-	-
ESSA Title I A	84.010	S010A240030	60,523	07/01/23	06/30/24	-	-	60,523	60,523	-	-	-	-
ESSA Title II A	84.367A	S367A240029	24,769	07/01/23	06/30/24	-	-	24,769	24,769	-	-	-	-
ESSA Title III Consortium	84.365	S365A240030	27,505	07/01/23	06/30/24	-	-	22,722	25,816	-	(3,094)	-	-
ESSA Title IV	84.424	S424A240031	10,000	07/01/23	06/30/24	-	-	10,000	10,000	-	-	-	-
COVID-19													
ARP - ESSER													
ARP - ESSER	84.425U	S425U210027	370,303	03/13/20	09/30/24	-	-	172,435	172,435	-	-	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	118,311	03/13/20	09/30/24	-	-	102,955	104,471	-	(1,516)	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	(8,896)	-	23,964	15,068	-	-	-	-
Evidenced Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	9,003	9,003	-	-	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	-	-	37,630	37,630	-	-	-	-
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						(16,670)	-	879,203	1,067,143	-	(204,610)	-	-

See independent auditors' report.



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment of Prior Year Balance	Balance June 30, 2024		
				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	231NJ304N1099	\$ 61,197	07/01/22	06/30/23	\$ 2,154	\$ -	\$ -	\$ 2,154	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	78,898	07/01/23	06/30/24	-	-	78,898	77,107	-	-	1,791	-
Cash Assistance	10.555	231NJ304N1099	159,620	07/01/22	06/30/23	(13,675)	-	13,675	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	136,817	07/01/23	06/30/24	-	-	124,530	136,817	-	(12,287)	-	-
National School Breakfast Program	10.553	231NJ304N1099	10,430	07/01/22	06/30/23	(1,020)	-	1,020	-	-	-	-	-
National School Breakfast Program	10.553	241NJ304N1099	11,436	07/01/23	06/30/24	-	-	9,904	11,436	-	(1,532)	-	-
Total Child Nutrition Cluster						(12,541)	-	228,027	227,514	-	(13,819)	1,791	-
P-EBT Administrative	10.649	2022225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	36,022	07/01/23	06/30/24	-	-	36,022	36,022	-	-	-	-
Total Enterprise Fund						(12,541)	-	264,702	264,189	-	(13,819)	1,791	-
Total Federal Awards						\$ (29,211)	\$ -	\$ 1,162,060	\$ 1,349,487	\$ -	\$ (218,429)	\$ 1,791	\$ -

See independent auditors' report.

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2024			Memo		
					Unearned Rev.	Due to				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
					(Accts. Rec)	Grantor									
General Fund															
State Department of Education															
Special Education Categorical Aid	24-495-034-5120-089	\$ 1,514,490	07/01/23	06/30/24	\$ -	\$ -	\$ 1,367,993	\$ 1,514,490	\$ -	\$ -	\$ -	\$ -	\$ 146,497	\$ 1,514,490	
Security Aid	24-495-034-5120-084	142,002	07/01/23	06/30/24	-	-	128,266	142,002	-	-	-	-	13,736	142,002	
Transportation Aid	24-495-034-5120-014	752,795	07/01/23	06/30/24	-	-	679,977	752,795	-	-	-	-	72,818	752,795	
Extraordinary Special Education Costs Aid	23-495-034-5120-044	544,951	07/01/22	06/30/23	(544,951)	-	544,951	-	-	-	-	-	-	544,951	
Extraordinary Special Education Costs Aid	24-495-034-5120-044	598,597	07/01/23	06/30/24	-	-	-	598,597	-	(598,597)	-	-	-	598,597	
Non-Public Transportation Aid	23-495-034-5120-014	24,648	07/01/22	06/30/23	(24,648)	-	24,648	-	-	-	-	-	-	24,648	
Non-Public Transportation Aid	24-495-034-5120-014	38,020	07/01/23	06/30/24	-	-	-	38,020	-	(38,020)	-	-	-	38,020	
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	1,554,133	07/01/23	06/30/24	-	-	1,554,133	1,554,133	-	-	-	-	-	1,554,133	
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	64,388	07/01/23	06/30/24	-	-	64,388	64,388	-	-	-	-	-	64,388	
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	5,645,904	07/01/23	06/30/24	-	-	5,645,904	5,645,904	-	-	-	-	-	5,645,904	
On-Behalf TPAF Pension Contribution - Long-Term Disability	24-495-034-5094-004	2,063	07/01/23	06/30/24	-	-	2,063	2,063	-	-	-	-	-	2,063	
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	1,148,077	07/01/22	06/30/23	(114,303)	-	114,303	-	-	-	-	-	-	1,148,077	
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	1,225,076	07/01/23	06/30/24	-	-	1,165,541	1,225,076	-	(59,535)	-	-	-	1,225,076	
Total General Fund					(683,902)	-	11,292,167	11,537,468	-	(696,152)	-	-	233,051	13,255,144	
Special Revenue Fund															
State Department of Education															
Preschool expansion aid	24-495-034-5120-086	1,522,410	07/01/23	06/30/24	-	-	1,332,111	1,430,317	-	-	92,093	-	190,299	1,430,317	
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	32,099	07/01/23	06/30/24	-	-	32,099	32,099	-	-	-	-	-	32,099	
Total Special Revenue Fund					-	-	1,364,210	1,462,416	-	-	92,093	-	190,299	1,462,416	

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, 2024**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2024			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	24-495-034-5120-017	7,105	07/01/23	06/30/24	-	-	7,105	7,105	-	-	-	-	-	7,105
Enterprise Fund														
State Department of Agriculture														
State School Lunch Program	23-100-010-3350-023	8,820	07/01/22	06/30/23	(748)	-	748	-	-	-	-	-	-	8,820
State School Lunch Program	24-100-010-3350-023	10,878	07/01/23	06/30/24	-	-	9,903	10,878	-	(975)	-	-	-	10,878
State School Breakfast Program	23-100-010-3350-023	161	07/01/22	06/30/23	(19)	-	19	-	-	-	-	-	-	161
State School Breakfast Program	24-100-010-3350-023	507	07/01/23	06/30/24	-	-	447	507	-	(60)	-	-	-	507
Total Enterprise Fund					(767)	-	11,117	11,385	-	(1,035)	-	-	-	20,366
Total State Financial Assistance					\$ (684,669)	\$ -	\$ 12,674,599	13,239,220	\$ -	\$ (918,033)	\$ 92,093	\$ -	\$ 423,350	\$ 14,965,877
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	5,645,904	07/01/23	06/30/24				5,645,904						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	64,388	07/01/23	06/30/24				64,388						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	1,554,133	07/01/23	06/30/24				1,554,133						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	2,063	07/01/23	06/30/24				2,063						
Total for State Financial Assistance - Major Program Determination								\$ 5,972,732						

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, 2024**

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 (\$27,240) for the general fund, (\$558,810) for the special revenue fund, and (\$42,218) 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, 2024**

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	\$ 18,155	\$ 11,510,228	\$ 11,528,383
Special revenue fund	829,552	1,141,197	1,970,749
Capital projects fund	-	178,628	178,628
Debt service fund	-	7,105	7,105
Food service fund	264,189	11,385	275,574
Total awards and financial assistance	<u>\$ 1,111,896</u>	<u>\$ 12,848,543</u>	<u>\$ 13,960,439</u>

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, 2024. 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, 2024.

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, 2024**

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   X   No
2. Were significant deficiencies identified?      Yes   X   None reported

Noncompliance material to Basic  
Financial Statements noted?

     Yes   X   No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified?      Yes   X   No
2. Were significant deficiencies identified?      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 2 CFR 200 Section .516(a)?

     Yes   X   No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		<u>IDEA Special Education Cluster</u>
<u>84.027A</u>	<u>H027A240100</u>	<u>IDEA Basic</u>
<u>84.173A</u>	<u>H173A240114</u>	<u>IDEA Preschool</u>

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

**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

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:

State Grant/Project Numbers	Name of State Program
	<i>State Aid Public Cluster:</i>
<i>24-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>24-495-034-5120-084</i>	<i>Security Aid</i>
<i>24-495-034-5120-014</i>	<i>Categorical Transportation</i>
<i>24-495-034-5120-086</i>	<i>Preschool Expansion Aid</i>



**READINGTON TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

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, 2024.

**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, 2024**

Status of Prior Year Findings

There were no prior year audit findings/recommendations.