

**SCHOOL DISTRICT
OF
STOW CREEK TOWNSHIP**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Stow Creek Township Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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For the Fiscal Year Ended June 30, 2025

Prepared by

Stow Creek Township Board of Education

Finance Department

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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INTRODUCTORY SECTION

Stow Creek Township School District

11 GUM TREE CORNER ROAD
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BUSINESS OFFICE TEL (856) 299-4240

BRIDGETON, NJ 08302-8951
FAX (856) 455-0833
FAX (856) 299-8182

Fred Hovermann
Board President

Brandon Cobb
Chief School Administrator

Kim Fleetwood
Board Secretary/School
Business Administrator

November 18, 2025

Honorable President and
Members of the Board of Education
Stow Creek Township School District
Cumberland County, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Stow Creek Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Stow Creek Township Board of Education and its one school constitute the District's reporting entity.

Stow Creek Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Stow Creek Township School District completed the 2024-2025 fiscal year with an enrollment of 138 students, which was one more than the number of students in the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-25	138	.7%
2023-24	137	10.4%
2022-23	124	.8%
2021-22	123	1.7%
2020-21	121	7%
2019-20	113	3%
2018-19	116	5%
2017-18	110	(6)%
2016-17	117	4%
2015-16	112	0%

2. ECONOMIC CONDITION AND OUTLOOK:

Stow Creek Township continues to experience limited growth, as depicted in the enrollment statistics. Approximately three-quarters of the total area of the Township is considered prime farmland, which has been a significant factor in terms of Stow Creek's planned development, encouraging the retention of prime farmland for agricultural use.

Future development in Stow Creek is governed by natural or environmental factors, in addition to agricultural suitability of soils. The Township has no central sewer system and therefore, soil suitability for on-site waste disposal systems is crucial in terms of development potential. In addition, the recent upgrading of requirements by the New Jersey Department of Health, regarding on-site systems, mandates that areas with only slight limitations will be further restricted in density. Wetland regulations also impact on development potential. Several landowners have sold properties to NJ Fish and Wildlife Management and the State has also established a state park in the Township.

3. MAJOR INITIATIVES:

Bearing on the District's Future

The Greenwich-Stow Creek Partnership between Greenwich and Stow Creek Township is has been in existence since 2009. At the beginning of the 2025-26 school year the Greenwich School District and the Stow Creek School District became the Greenwich Stow Creek Regional School District and now function as one district instead of two. It is anticipated that new and innovative uses of the regional school district will allow the continued enhancement of the quality of instruction and the expansion of educational opportunities available to the children of both districts while at the same time maintaining fiscally prudent stewardship of taxpayers' dollars.

The state commitment to the SFRA (Full Funding Formula) was in full effect for the 2024-25 school year. Stow Creek saw an increase in state aid of over \$354,000 for the 2024-25 school year, allowing the district to see aid figures close to what they received in 2009, before the state began cutting their aid year after year. For the 2025-26 school year the Regional District saw a fairly flat funding when both Greenwich and Stow Creek's previous funding was combined. We anticipate a slight increase in enrollment for the 2025-2026 school year and with it, hope for flat funding for the 2026-2027 school year as a regional school district with Greenwich.

Greenwich School District partnered with Stow Creek School District to secure a Preschool Education Expansion Aid (PEEA) grant to open a full-day, preschool for four year old district residents on January 2, 2020 and expanded it in September, 2020 to include three year olds. During the summer of 2025 the Regional District secured approval for a Preschool Disabled Classroom (PSD) that was opened by the start of the 2025-26 school year. The Greenwich Stow Creek Partnership Schools, in collaboration with six other districts for various pieces, have been running a successful program for years. Extensive professional development featuring cross-content and multi-year staff training this year will focus on the preschool curriculum and the changes necessary to Kindergarten and beyond to ensure a smooth and productive transition. Our preschool program has functioned at capacity since its inception, with no preschool disabled students being sent out of district.

Over the summer of 2025, Stow Creek completed a parking lot rebuild. Greenwich was able to complete a roof replacement of the 1909 building, repaired concrete steps, repainted part of the 1909 building and added a concrete tricycle path for our preschool students. The Morris Goodwin School will be working on painting the rest of the 1909 school building. Both the Morris Goodwin School and the Stow Creek School will be exploring security vestibules during the 2025-26 school year.

The district has been able to secure self-paced, standards-based web-based programs such as IXL, Flocabulary, Achieve3000, ALEKS, and Reading Plus. All of these programs have assisted in increasing student achievement. We have seen reading levels increase as much as three grade levels over the course of the school year. The rents received from the cell tower erected on school property continue to help fund these educational technology advances. With its 4-G capabilities the on-site tower has the extra advantage, in addition to the rent earned, of providing cost competition for internet service since previously only one internet provider operated in the district.

As part of our Curriculum Revision Cycle the district will be revising science curriculum during the 2025-2026 school year.

The Partnership is continuing to enter into other collaborative relationships with surrounding districts and businesses. We now share a CST services with Salem County Special Services as well as Lawrence Township, IT computer services with Cumberland Regional High School, and Librarian and Behavior Consultant services with Upper Deerfield School District. The district partners with Fairfield Township School for Preschool Master Teacher services.

In conclusion, the Greenwich Stow Creek Regional Schools has committed itself to educational excellence and continued parsimony. The new collaborations are allowing both Greenwich and Stow Creek to provide better and new educational services to our children and keep costs in check. The Regional District is taking the steps necessary to keep up with today's changing economic and regulatory conditions and still provide a world-class education for the children of Greenwich and Stow Creek Townships.

4. INTERNAL ACCOUNTING CONTROLS:

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

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards 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 being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and, 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 re-appropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds 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 statements section of the report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

As of June 30, 2025, the District does not have any debt, other than \$47,079 in compensated absences, \$0 in Right-to-Use Lease Liability and Net Pension Liability of \$202,724. The amount available to authorize debt is \$3,953,541, as shown on Exhibit J-13.

9. CASH MANAGEMENT:

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

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Stow Creek 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,

Brandon Cobb

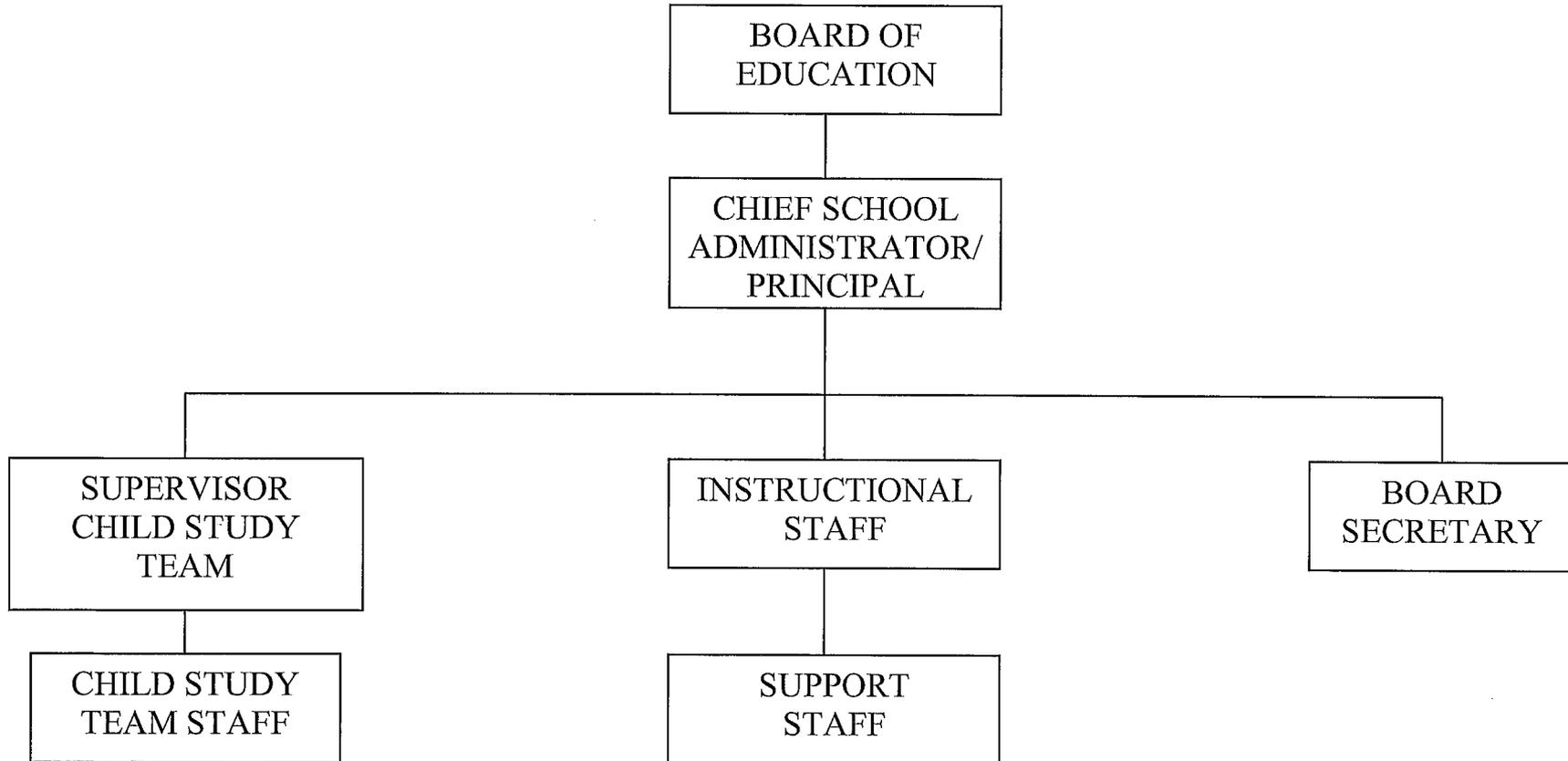
Brandon Cobb
Chief School Administrator

Kim Fleetwood

Kim Fleetwood
Board Secretary / Business Administrator

STOW CREEK TOWNSHIP SCHOOL DISTRICT

ORGANIZATIONAL CHART (UNIT CONTROL)



STOW CREEK TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2025

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Fred Hovermann, President	2027
Erin Hurff	2027
Maura Mazza	2026
Andrea Levick, Vice President	2026
Courtney Mattus	2027
Lewis DePietro	2026
Robert DeMasse	2025

<u>OTHER OFFICIALS</u>	<u>Bond Coverage</u>
Brandon Cobb, Chief School Administrator	
Kim Fleetwood, Board Secretary/Business Administrator	
Susan G Robostello, Treasurer of School Monies	\$ 140,000
Sanmathi Dev, Esq., Solicitor	

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, New Jersey 08302

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey'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, and each major fund, of the Board of Education of the Stow Creek Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 School 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 School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as 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 opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

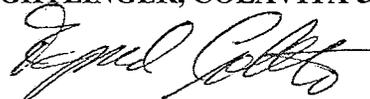
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025, on our consideration of the Stow Creek Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Stow Creek Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Stow Creek School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 18, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Stow Creek Township School District Management Discussion and Analysis (Unaudited)

This section of the Stow Creek Township School District's Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2025. Comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Annual Comprehensive Financial Report (ACFR)

The Annual Comprehensive Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status and performance.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the *district-wide statements*, with the focus on operations.
- The *governmental fund statements* tell how *basic* services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary fund statements* offer *short- and long-term* financial information about activities the District operates *like businesses*.
- *Fiduciary fund statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2025 are as follows:

- The assets of the Stow Creek School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2025 by \$2,279,003.
- Total net position of governmental activities increased by \$493,209, comprised of changes in various assets and liabilities. The net position of Business-type Activities increased by \$22,587.
- As of the close of the current fiscal year, the Township of Stow Creek School District's Governmental Funds reflected combined ending fund balances of \$1,786,519, which is an increase of \$359,677 from the prior year.

- General revenues accounted for \$2,845,554, which was 82.8% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$678,249 or 17.2% percent to total revenues of \$3,523,803.
- The School District had \$3,008,007 in expenses, of which \$678,249 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The Governmental Funds had \$3,444,360 in revenues, \$3,084,683 in expenditures and \$0 in other net financing uses transferred to the Food Service Enterprise Fund. The General Fund balance increased \$359,677 over 2025. This increase was anticipated by the Board of Education, although fund balance of \$427,656 was used to balance the budget, as shown on Exhibit C-1.

District-wide Financial Statements – Reporting the School District as a Whole

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

The two district-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's overall financial position.

This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-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, which represent the district-wide financial statements, the School District is divided into two distinct kinds of activities:

- Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation, extracurricular activities and internal service funds.
- Business – Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and After School Child Care enterprise funds are reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about these major funds. The School District uses numerous funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds.

The District may implement four types of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Internal service funds:* (Also considered proprietary funds) are optional and utilized to report activities that provide supplies and services for other District programs and activities. The District currently does not have any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements, as these assets may not be used to finance the District's operations.

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2025 and 2024.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	\$ 2,011,100	\$ 1,713,137
Capital Assets, Net	790,272	635,584
Total Assets	2,801,372	2,348,721
Deferred Outflow of Resources	50,545	96,197
Liabilities		
Current Liabilities	181,964	247,109
Long-term Liabilities	249,803	361,999
Total Liabilities	431,767	609,108
Deferred Inflow of Resources	141,147	72,603
Net Position		
Invested in Capital Assets, Net of Debt	790,272	633,879
Restricted	1,618,068	1,205,488
Committed	0	28,659
Unrestricted (Deficit)	(129,337)	(104,819)
Total Net Position	\$ 2,279,003	\$ 1,763,207

Table 2 shows the changes in net position from fiscal year's 2025 and 2024.

Table 2
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Programs Revenues		
Charges for Services	\$ 48,259	\$ 56,011
Operating Grants	629,990	712,442
General Revenues		
Property Taxes	1,393,733	1,366,405
Grants and Entitlements	1,095,369	777,681
Other	356,452	265,095
	<u>3,523,803</u>	<u>3,177,634</u>
Program Expenses		
Instruction	1,024,494	892,052
Tuition	287,155	139,105
Pupil and Instructional Staff	249,767	314,794
General Administration, School		
Administration, Business	159,727	175,709
Operations and Maintenance of Facilities	196,537	183,986
Pupil Transportation	155,192	193,559
Employee Benefits	869,544	993,774
Food Service & After School Care	64,852	111,313
Interest on Debt	739	739
	<u>3,008,007</u>	<u>3,005,031</u>
Increase in Net Position	<u>\$ 515,796</u>	<u>\$ 172,603</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's Property taxes made up 40.6% percent of the total revenues for governmental activities of \$3,436,364. Federal, State, and local grants accounted for another 49.1% and other net revenues were 10.3%. The total cost of services was \$3,008,007, of which \$2,943,155 was for governmental activities as shown below. The net cost of all governmental programs and services excludes charges for services and operating grants of \$678,249. Instruction comprises 29% of these net District expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	\$ 1,024,494	\$ 672,046	\$ 892,052	\$ 595,230
Tuition	287,155	287,155	139,105	139,105
Pupil and Instructional Staff	249,767	116,721	314,794	134,430
General Administration, School Administration, Business	159,727	159,727	175,709	175,709
Operation and Maintenance of Facilities	196,537	196,537	183,986	183,986
Pupil Transportation	155,192	155,192	193,559	193,559
Employee Benefits	869,544	746,734	993,774	789,565
Enterprise Funds	64,852		111,313	
Interest on Debt	739	739	739	739
Total Expenses	\$ 3,008,007	\$ 2,334,851	\$ 3,005,031	\$ 2,212,323

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district, which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

Business-Type Activities

Revenues for the District's business-type activities (Food Service and After School Child Care Programs) were comprised of charges for services and federal and state reimbursements.

- Revenues exceeded expenditures by \$8,821 in the Food Service Fund and expenditures exceeded revenues by \$3,728 in the After School Childcare Program. The net increase of \$5,093 was increased by interest of \$10 and fixed asset adjustment of \$17,484. This resulted in a positive change in net position of \$22,587.

- Charges for services represent \$17,572 in the Food Service Fund and \$14,969 in the After School Childcare Program. This represents amount paid by patrons for daily food service activities and after school childcare.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$37,404.

The School District’s Funds

Information about the School District’s major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. The governmental funds used (i.e., General Fund, Special Revenue Fund and Capital Project Fund presented in the fund-based statements) had total revenues of \$3,444,360, expenditures of \$3,084,683 and other net financing uses of \$0. The net change in fund balance for the year was an increase of \$359,677. This demonstrates that the District was able to meet current operating costs with no urgent need for additional funds other than \$427,656 in surplus appropriated to balance the 2024-2025 budget.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the Governmental Funds (excluding Capital Projects) for the fiscal year ended June 30, 2025, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 1,638,407	47.57%	\$ 6,925	0.42%
State Sources	1,613,105	46.83%	370,916	29.86%
Federal Sources	192,848	5.60%	(22,984)	-10.65%
Total	\$ 3,444,360	100.00%	\$ 354,857	11.49%

The increase in Local sources is attributed to increases in the tax levy of \$27,328, interest of \$2,145, and local grants of \$19,218, offset by decrease in general fund transportation of \$24,250, tuition of \$6,050 and miscellaneous revenue of \$11,466.

The increase in State sources is attributed to increases in State Public School aid of \$315,970 and Special Revenue Fund Grants of \$54,946.

The above schedule includes the two last state aid payments for 2023-2024 of \$60,035 received in July 2025 and does not include the two last state aid payments for 2024-2025 received in July 2025 in the amount of \$85,285.

The increase in Federal sources is due to various decreases in the Special Revenue Fund Grants. In addition, the 2025 figures do not include deferred revenue in accordance with GAAP accounting.

The following schedule presents a summary of General Fund and Special Revenue Fund Expenditures for the fiscal year ended June 30, 2025 and the percentage of increases and decreases in relation to prior year amounts.

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 986,428	31.98%	\$ 134,467	15.78%
Undistributed expenditures	1,992,782	64.60%	21,038	1.07%
Capital Outlay	105,473	3.42%	(34,029)	-24.39%
Total	\$ 3,084,683	100.00%	\$ 121,476	4.10%

The increase in Instructional Expenditures is attributed to increases in Regular Instruction of \$127,679, Special Education Instruction of \$1,446, and Other Instructional Expenses of \$5,342.

The increase in Undistributed Expenditures was due to increases in Tuition of \$148,050, General Administration of \$31,805, School Administrative Services of \$588 and Plant Operations and Maintenance of \$9,010, offset by decreases in Student and Instruction Related Services of \$64,494, Central Services of \$47,911, Employee Benefits of \$17,643 and Pupil Transportation of \$38,367.

The decrease in Capital Outlay is attributed to an decrease in facility acquisition costs.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2025, the School District amended its General Fund budget as needed. The School District uses program-based budgeting. These budgeting systems are designed to tightly control total program budgets while providing flexibility for program management to address the following:

- Staffing changes based on student needs
- Additional costs for student transportation both in regular education and special education
- Changes in maintenance and operations
- Changes in appropriations to prevent budget overruns

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an increase of \$413,202 as shown on Exhibit C-1, which included a transfer from capital projects fund of \$28,659 and a transfer of \$14,861 for Preschool inclusion.

- Actual revenues were \$29,239 more than expected, excluding on-behalf pension and social security reimbursements of \$505,608.
- Actual expenditures were \$810,633 less than expected. This excludes state on-behalf pension and social security reimbursements of \$505,608 and reflects favorable variances in most expenditure accounts.

Capital Assets

At the end of the fiscal year 2025, the School District had \$790,272 (net of accumulated depreciation) invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

Table 6
Capital Assets (Net of Depreciation) at June 30

	<u>2025</u>	<u>2024</u>
Land Improvements	\$ 6,207	\$ 6,207
Work in Process	42,266	
Building and Improvements	348,020	354,511
Vehicles	190,101	170,923
Equipment	203,678	103,228
Right-to-Use Lease Assets		715
Totals	<u>\$ 790,272</u>	<u>\$ 635,584</u>

Overall net Capital Assets increased by \$154,688 from fiscal year 2024 fiscal year 2025, representing fixed asset additions of \$107,479 and adjustments of \$111,768, offset by depreciation expense of \$64,559.

Long-Term Debt:

At year-end, the District had outstanding long-term debt of \$47,079 in compensated absences, \$202,724 in Net Pension Liability and \$0 in Right-to-Use Lease Liability. There was no other outstanding debt authorized or issued (Note 6 to the Financial Statements). The amount of debt available for authorization by statute is \$3,953,541, as shown on Exhibit J-13.

Factors Bearing on the District's Future

The 2025–2026 school year marks the first year of the newly formed Greenwich Stow Creek Regional School District, uniting the former Greenwich Township and Stow Creek Township School Districts. This regionalization builds upon the successful foundation established through more than a decade of partnership between the two communities. As the new district begins its first year, there is great optimism that the merger will strengthen educational programs, expand opportunities for students, and enhance operational efficiency. Through this regional structure, the district is committed to delivering high-quality instruction and innovative learning experiences while maintaining fiscally responsible stewardship of taxpayer resources.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Kim Fleetwood, School Business Administrator/Board Secretary, at Stow Creek Township School District, 11 Gum Tree Corner Road, Bridgeton, NJ 08302.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,014,247	\$ 28,875	\$ 1,043,122
Receivables, Net	334,377	16,835	351,212
Inventory		2,366	2,366
Restricted Assets:			
Cash	614,400		614,400
Capital Assets, Net (Note 6)	760,833	29,439	790,272
Total Assets	<u>2,723,857</u>	<u>77,515</u>	<u>2,801,372</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	50,545		50,545
LIABILITIES			
Current Liabilities:			
Accounts Payable	11,303	3,470	14,773
Payable to State Governments	853		853
Payroll Deductions Payable	254		254
Unearned Revenue	27,454	1,989	29,443
Prepaid Tax	136,641		136,641
Noncurrent Liabilities:			
Due Within One Year			
Due Beyond One Year	249,803		249,803
Total Liabilities	<u>426,308</u>	<u>5,459</u>	<u>431,767</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	141,147		141,147
Net Position			
Invested in Capital Assets, Net of Related Debt	760,833	29,439	790,272
Restricted for:			
Capital Projects	500,000		500,000
Excess Surplus	206,870		206,870
Unemployment Compensation	38,275		38,275
Student Activities	27,022		27,022
Other Purposes	845,901		845,901
Unrestricted (Deficit)	(171,954)	42,617	(129,337)
Total Net Position	<u>\$ 2,206,947</u>	<u>\$ 72,056</u>	<u>\$ 2,279,003</u>

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 964,682		\$ 352,448	\$ (612,234)		\$ (612,234)
Special Education	52,711			(52,711)		(52,711)
Other Instruction	7,101			(7,101)		(7,101)
Support Services:						
Tuition	287,155			(287,155)		(287,155)
Student & Instruction Related Services	249,767	15,718	117,328	(116,721)		(116,721)
General and Business Administrative Services	123,365			(123,365)		(123,365)
School Administrative Services	20,309			(20,309)		(20,309)
Central Services	16,053			(16,053)		(16,053)
Plant Operations and Maintenance	196,537			(196,537)		(196,537)
Pupil Transportation	155,192			(155,192)		(155,192)
Unallocated Benefits	869,544		122,810	(746,734)		(746,734)
Interest on Debt	739			(739)		(739)
Total Governmental Activities	2,943,155	15,718	592,586	(2,334,851)		(2,334,851)
Business-type Activities:						
Food Service	46,155	17,572	37,404		8,821	8,821
After School Childcare	18,697	14,969			(3,728)	(3,728)
Total Business-type Activities	64,852	32,541	37,404		5,093	5,093
Total Primary Government	\$ 3,008,007	\$ 48,259	\$ 629,990	(2,334,851)	5,093	(2,329,758)
General revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				1,393,733		1,393,733
Federal and State Aid not restricted				1,095,369		1,095,369
Transportation Fees from Other LEAs				83,825		83,825
Miscellaneous Income				158,047		158,047
Interest Earned - Unrestricted				2,802	10	2,812
Fixed Asset Adjustment				94,284	17,484	111,768
Total General Revenues, Special Items, Extraordinary Items and Transfers				2,828,060	17,494	2,845,554
Change in Net Position				493,209	22,587	515,796
Net Position - Beginning				1,713,738	49,469	1,763,207
Net Position - Ending				\$ 2,206,947	\$ 72,056	\$ 2,279,003

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 953,522	\$ 18,412	\$ 971,934
Cash - Capital Reserve	500,000		500,000
Cash - Maintenance Reserve	114,400		114,400
Accounts Receivables:			
Federal		75,922	75,922
State Aid	26,166		26,166
Tax Levy Receivable	232,289		232,289
Interfund Receivable	93,798		93,798
	\$ 1,920,175	\$ 94,334	\$ 2,014,509
Total Assets	\$ 1,920,175	\$ 94,334	\$ 2,014,509
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,978	\$ 8,325	\$ 11,303
Interfund Payable		51,485	51,485
Payroll Deductions and Withholdings Payable	254		254
Payable to State Government		853	853
Unearned Revenue		27,454	27,454
Prepaid Tax	136,641		136,641
	139,873	88,117	227,990
Total Liabilities	139,873	88,117	227,990
Fund Balances:			
Restricted For:			
Capital Reserve	170,000		170,000
Maintenance Reserve	114,400		114,400
Unemployment Compensation	38,275		38,275
Excess Surplus - Designated for Subsequent Year's Expenditures	75,688		75,688
Excess Surplus	131,182		131,182
Student Activities		27,022	27,022
Assigned Fund Balance:			
Encumbrances	410,706		410,706
Capital Reserve - Designated for Subsequent Year's Expend.	330,000		330,000
Designated for Subsequent Year's Expenditures	320,795		320,795
Unassigned, Reported In:			
General Fund	189,256		189,256
Special Revenue Fund (Deficit)		(20,805)	(20,805)
	1,780,302	6,217	1,786,519
Total Fund Balances	1,780,302	6,217	1,786,519
Total Liabilities and Fund Balances	\$ 1,920,175	\$ 94,334	\$

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,244,472 and the accumulated depreciation is \$5,483,639 (Note 6).	760,833
Deferred Outflows of Resources - Deferred Pension Contributions	50,545
Deferred Inflows of Resources - Pension Actuarial gains	(141,147)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(202,724)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(47,079)
Net Position of Governmental Activities	2,206,947

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 1,393,733	\$	\$	\$ 1,393,733
Transportation Fees from Other LEAs	83,825			83,825
Unrestricted Miscellaneous Revenues	32,299			32,299
Interest Earned	2,802			2,802
Local Sources		125,748		125,748
Total Local Sources	1,512,659	125,748		1,638,407
State Sources	1,313,328	299,777		1,613,105
Federal Sources		192,848		192,848
Total Revenues	2,825,987	618,373		3,444,360
EXPENDITURES				
Current:				
Regular Instruction	575,901	352,448		928,349
Special Education Instruction	51,194			51,194
Other Instruction	6,885			6,885
Support Services:				
Tuition	287,155			287,155
Student & Instruction Related Services	122,434	117,328		239,762
General Administration	121,327			121,327
School Administrative Services	16,271			16,271
Central Services	13,412			13,412
Plant Operations and Maintenance	191,544			191,544
Pupil Transportation	155,192			155,192
Employee Benefits	831,084	137,035		968,119
Capital Outlay	78,292	27,181		105,473
Total Expenditures	2,450,691	633,992		3,084,683
Excess (Deficiency) of Revenues Over Expenditures	375,296	(15,619)		359,677
OTHER FINANCING SOURCES (USES)				
Transfer to Preschool - Inclusion	(14,861)	14,861		
Transfer to General Fund	28,659		(28,659)	
Total Other Financing Sources and Uses	13,798	14,861	(28,659)	
Net Change in Fund Balances	389,094	(758)	(28,659)	359,677
Fund Balance—July 1	1,391,208	6,975	28,659	1,426,842
Fund Balance—June 30	\$ 1,780,302	\$ 6,217	\$	\$ 1,786,519

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	359,677
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$	(63,486)
Capital Outlays		104,734
Fixed Asset Adjustment		94,284
		135,532
<p>Pension contributions are reported in governmental funds as expenditures. However, In the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.</p>		
		1,705
<p>Repayment of right-to-use lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		6,086
<p>The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.</p>		
		(9,791)
Change in Net Position of Governmental Activities (A-2)	\$	493,209

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

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities		
	Enterprise Fund		
	Food Service	After School Childcare	Total Enterprise
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 35,483	\$ 35,705	\$ 71,188
Accounts Receivable:			
State	361		361
Federal	2,248		2,248
Other Program Fees	274	1,181	1,455
Intergovernmental Accounts Receivable	12,771		12,771
Inventory	2,366		2,366
Total Current Assets	<u>53,503</u>	<u>36,886</u>	<u>90,389</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	44,844		44,844
Less Accumulated Depreciation	(15,405)		(15,405)
Total Noncurrent Assets	<u>29,439</u>		<u>29,439</u>
Total Assets	<u>\$ 82,942</u>	<u>\$ 36,886</u>	<u>\$ 119,828</u>
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Accounts Payable	\$ 3,470		\$ 3,470
Interfund Payable	29,779	12,534	42,313
Unearned Revenue	1,981	8	1,989
Total Current Liabilities	<u>35,230</u>	<u>12,542</u>	<u>47,772</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	29,439		29,439
Unrestricted	18,273	24,344	42,617
Total Net Position	<u>47,712</u>	<u>24,344</u>	<u>72,056</u>
Total Liabilities & Net Position	<u>\$ 82,942</u>	<u>\$ 36,886</u>	<u>\$ 119,828</u>

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

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

	Business-Type Activities Enterprise Fund		
	Food Service	After School Childcare	Total Enterprise
Operating Revenues:			
Charges for Services:			
Food Sales Reimbursable Programs	\$ 12,967	\$	\$ 12,967
Food Sales Non-Reimbursable Programs	4,605		4,605
After School Childcare Fees		14,969	14,969
Total Operating Revenue:	17,572	14,969	32,541
Operating Expenses:			
Salaries	14,545	17,368	31,913
Supplies and Materials	1,171	1,329	2,500
Cost of Sales	26,161		26,161
Cost of Sales - Non Program Food	2,904		2,904
Miscellaneous	301		301
Depreciation	1,073		1,073
Total Operating Expenses	46,155	18,697	64,852
Operating Income (Loss)	(28,583)	(3,728)	(32,311)
Non-operating Revenues (Expenses):			
State Sources:			
State School Breakfast Program	55		55
State School Lunch Program	717		717
Summer-EBT Administrative Cost	301		301
Federal Sources:			
School Breakfast Program	4,747		4,747
National School Lunch Program	20,171		20,171
CFDA LFS	416		416
Summer-EBT Administrative Cost	301		301
Food Distribution Program	10,696		10,696
Interest	10		10
Total Non-operating Revenues (Expenses)	37,414		37,414
Income (Loss) before Contributions & Transfers	8,831	(3,728)	5,103
Fixed Asset Adjustment	17,484		17,484
Change in Net Position	26,315	(3,728)	22,587
Total Net Position - Beginning	21,397	28,072	49,469
Total Net Position - Ending	\$ 47,712	\$ 24,344	\$ 72,056

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

STOW CREEK TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities		
	Enterprise Funds		
	Food Service	After School Childcare	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 17,572	\$ 14,969	\$ 32,541
Payments to Employees	(14,545)	(17,368)	(31,913)
Payments to Suppliers	(14,892)		(14,892)
Payment to Others	(301)	(818)	(1,119)
Net Cash Provided by (used for) Operating Activities	<u>(12,166)</u>	<u>(3,217)</u>	<u>(15,383)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,073		1,073
Federal Sources	36,331		36,331
Interfund Transfer			
Net Cash Provided by (used for) Non-capital Financing Activities	<u>37,404</u>		<u>37,404</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Purchase of Fixed Assets	(2,745)		(2,745)
Net Cash Used by Capital Financing	<u>(2,745)</u>		<u>(2,745)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	10		10
Net Cash Provided by (used for) Investing Activities	<u>10</u>		<u>10</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,503	(3,217)	19,286
Balances—Beginning of Year	12,980	38,922	51,902
Balances—End of Year	<u>\$ 35,483</u>	<u>\$ 35,705</u>	<u>\$ 71,188</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided			
(Used) by Operating Activities:			
Operating Income (Loss)	\$ (28,583)	\$ (3,728)	\$ (32,311)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	1,073		1,073
(Increase)Decrease in Accounts Receivable, Net	11,954	503	12,457
(Increase)Decrease in Inventories	(789)		(789)
Increase(Decrease) in Accounts Payable	3,470		3,470
Increase(Decrease) in Interfund Payable			
Increase(Decrease) in Unearned Revenue	1,352	8	1,360
Total Adjustments	<u>16,417</u>	<u>511</u>	<u>16,928</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (12,166)</u>	<u>\$ (3,217)</u>	<u>\$ (15,383)</u>

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$3,118 of food commodities from the U.S. Department of Agriculture

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

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

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

A. Reporting Entity:

The Stow Creek Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. These terms are staggered so that two or three members' terms expire each year. The purpose of the district is to educate students in grades PreK-8. The Stow Creek Township School District had an approximate enrollment at June 30, 2025 of 138 students.

Business Administrator/Board Secretary services are contracted with the Upper Deerfield School District including responsibility for the administrative control of the district.

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

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

Based on the aforementioned criteria, as stipulated in GASB No. 114, the District has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

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

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

District-wide Statements: The statement of net position and the statements of activities display information about 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's programs, such as personnel and accounting—are not allocated to programs.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (cont'd)

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the District. It 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 capital 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.

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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (cont'd)

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

As 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

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. The district currently has no capital projects and, therefore, has not included a capital projects fund.

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.

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the District's programs, which are stipulated for the benefit of the School District or its students. The School District does not maintain a non-expendable scholarship fund that would require a permanent fund.

PROPRIETARY FUNDS

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 Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; 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 School District's Enterprise funds are as follows:

Food Service Fund - This fund accounts for the financial transactions of the food service operations of the District.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (cont'd)

School Age Child Care Program - This fund accounts for the financial activity related to providing day care services to the students.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets.

Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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:

Food Service Fund - Equipment	10 to 20 Years
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FIDUCIARY FUNDS

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. They account for assets where both the principal and interest may be spent. Expendable Trusts include Unemployment Compensation Insurance and scholarship funds, if any:

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a nonexpendable trust fund.

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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, which 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. Exhibit C-3 presents a reconciliation of the general fund and special revenue fund from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

E. Encumbrance Accounting:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting: (cont'd)

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

G. Tuition Payable:

Tuition charges for the fiscal years 2022-2023, 2023-2024, and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

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

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

I. Short-term Interfund Receivables/Payables:

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

J. Assets, Liabilities and Equity:

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

Inventories - On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

At June 30, 2025, there was an ending inventory of \$2,366 in the Food Service Fund, of which \$1,380 was federal commodities.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements. The District receives federal commodity food for meal service provided through a vended meal contract.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity: (cont'd)

Capital Assets - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2025 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

Capital assets are depreciated in the district-wide financial statements using the straight-line method over the following estimated useful 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

K. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the district- wide statement of net position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

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

M. Operating Revenues and Expenses:

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Allocation of Indirect Expenses:

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

O. Extraordinary and Special Items:

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

P. Fund Equity:

Contributed capital represents fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

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

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

T. 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 credits, grantors, or laws or regulations of their 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.

U. 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:

When an expenditure is incurred for purposes 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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Revenues – Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

W. New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB Statement No. 101 - Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The adoption of GASB 101 did not impact the financial statements of the School District.

- GASB Statement No. 102 - Certain Risk Disclosures: This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of GASB 102 did not impact the financial statements of the School District.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. New Accounting Standards: (cont'd)

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 103 - Financial Reporting Model Improvements: This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Management is evaluating the potential impact of the adoption of GASB 103 on the School District's financial statements.
- GASB Statement No. 104 - Disclosure of Certain Capital Assets: The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management is evaluating the potential impact of the adoption of GASB 104 on the School District's financial statements.

X. Bond and Lease Acquisition Costs:

As part of any long-term Bond or lease agreement, providing for the use of school buildings, payments constituting professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such bonds or leases for the year ended June 30, 2025.

Y. 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.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Y. Tax assessments and property taxes: (cont'd)

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. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S.

Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

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

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

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2025, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash</u>	
	<u>Equivalents</u>	
Checking accounts	\$ 1,657,522	
	<hr/>	
Total	\$ 1,657,522	
	<hr/> <hr/>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 971,934
Enterprise funds, Statement of Net Position	B-4	71,188
Restricted cash		
Governmental funds, Balance Sheet	B-1	614,400
Total cash		\$ <u>1,657,522</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance.

Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2025, the School District's bank balance of \$1,814,019 was subject to custodial credit risk as follows:

Insured	\$ 250,000	
Uninsured and collateralized with securities held by pledging financial institutions		<u>1,564,019</u>
	\$	<u>1,814,019</u>

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

NOTE 4. CAPITAL ASSETS

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

	<u>Beginning Balance 7/1/24</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance 6/30/25</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 6,207	\$	\$	\$ 6,207
Work in Process		42,266		42,266
Total Capital Assets not being Depreciated	<u>6,207</u>	<u>42,266</u>		<u>48,473</u>
Capital Assets Being Depreciated and Amortized				
Vehicles	510,581	22,500	(68,500)	464,581
Building and Building Improvements	5,429,644		(13,766)	5,415,878
Machinery and Equipment	237,981	39,968	10,937	288,886
Right-to-Use Lease Assets	26,654			26,654
Totals at Historical Cost	<u>6,204,860</u>	<u>62,468</u>	<u>(71,329)</u>	<u>6,195,999</u>
Less Accumulated Depreciation and Amortization				
Building and Improvements	(5,075,133)	(12,845)	20,120	(5,067,858)
Vehicles	(339,658)	(30,808)	95,986	(274,480)
Equipment	(145,036)	(19,118)	49,507	(114,647)
Right-to-Use Lease Assets	(25,939)	(715)		(26,654)
Total Accumulated Depreciation and Amortization	<u>(5,585,766)</u>	<u>(63,486)</u>	<u>165,613</u>	<u>(5,483,639)</u>
Total Capital Assets being Depreciated and Amortized, Net of Accumulated Depreciation and Amortization	<u>619,094</u>	<u>(1,018)</u>	<u>94,284</u>	<u>712,360</u>
Government Activities Capital Assets, Net	<u>\$ 625,301</u>	<u>\$ 41,248</u>	<u>\$ 94,284</u>	<u>\$ 760,833</u>
	To A-1			To A-1
Business-type Activities - Equipment	\$ 34,922	\$ 2,745	\$ 7,177	\$ 44,844
Less Accumulated Depreciation	(24,639)	(1,073)	10,307	(15,405)
Business-type Activities Capital Assets, Net	<u>\$ 10,283</u>	<u>\$ 1,672</u>	<u>\$ 17,484</u>	<u>\$ 29,439</u>
Depreciation expense was charged to governmental functions as follows:				
Instruction:				
Regular		\$ 36,333		
Special Education		1,517		
Other Instruction		216		
Support Services:				
Student & Instruction Related Services		10,005		
School Administration		4,038		
General & Business Administrative Services		2,038		
Central Services		2,641		
Plant Operations and Maintenance		6,698		
Total Depreciation Expense		<u>\$ 63,486</u>		

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

NOTE 5. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2025, the following changes occurred in long-term obligations:

	<u>Beginning Balance 7/1/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 6/30/2025</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Capital Lease	\$	\$	\$	\$	\$	\$
Compensated Absences Payable	37,288	9,791		47,079		47,079
Net Pension Liability	323,006		120,282	202,724		202,724
Right-to-Use Lease Liability	1,705		1,705			
Total Long-term Obligations	<u>\$ 361,999</u>	<u>\$ 9,791</u>	<u>\$ 121,987</u>	<u>\$ 249,803</u>	<u>\$</u>	<u>\$ 249,803</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund. The District did not have any Serial Bonds or Capital Leases payable as of June 30, 2025.

Bonds Authorized and Issued -- As of June 30, 2025, the District had no bonds authorized but not issued.

Capital Leases -- As of June 30, 2025, the District had no capital leases.

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

NOTE 6. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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 with 30 years or more 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.

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2024 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2025 were \$9,379. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2025 is 17.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2025, and 2024, were \$20,301 and \$29,805 respectively.

The total payroll for the year ended June 30, 2025 was \$1,067,490. Payroll covered by PERS was \$125,051 for fiscal year 2025.

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

NOTE 6. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd)

Components of Net Pension Liability - At June 30, 2025, the District's proportionate share of the PERS net pension liability was \$202,724. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The District's proportion measured as of June 30, 2024 was 0.001492% which was a decrease of 0.00074% from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2025 PERS pension expense, with respect to GASB 68, was \$4,710. The District's 2025 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,061	\$ 540
Changes of assumptions	252	2,307
Net difference between projected and actual earnings on pension plan investments		9,400
Changes in proportion	25,931	128,900
Contributions subsequent to the measurement date	20,301	
Total	\$ 50,545	\$ 141,147

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

Year		PERS
2025	\$	(18,047)
2026		(33,526)
2027		(33,926)
2028		(23,790)
2029		(1,614)
Thereafter		
Total	\$	(110,903)

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

NOTE 6. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd)

Additional Information - Collective Balances at June 30, 2025 and 2024 are as follows:

Year		2025		2024
Collective deferred outflows of resources	\$	50,545	\$	96,197
Collective deferred inflows of resources	\$	141,147	\$	72,603
Collective Net Pension Liability	\$	202,724	\$	323,006
District's Proportion		0.001492%		0.002230%

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

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

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

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

NOTE 6. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd)

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

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
Total	100.00%	

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

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

NOTE 6. PENSION PLANS (CONT'D)

Public Employees' Retirement System (cont'd)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 271,638	\$ 202,724	\$ 147,237

Teachers' Pension and Annuity Fund

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 that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability, 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 nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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

NOTE 6. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (cont'd)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2024. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024 the State's pension contribution was more than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2025 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2025, the State of New Jersey contributed \$330,916 to the TPAF for pension contributions, \$96,694 for post-retirement benefits on behalf of the School, and \$94 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$77,904 during the year ended June 30, 2025 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2025, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2025, the District recognized pension expense of \$(14,225) and revenue of \$(14,225) for support provided by the State.

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

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

NOTE 6. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (cont'd)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
Total	100.00%	

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

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

NOTE 6. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (cont'd)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 4,755,146	\$ 3,899,646	\$ 3,424,011
State's Share of the Net Pension Liability	\$ <u>58,828,334,396</u>	\$ <u>49,492,072,325</u>	\$ <u>41,629,174,739</u>

Defined Contribution Retirement Program (DCRP)

The **Defined Contribution Retirement Program (DCRP)** is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

- | | Eligibility |
|----|--|
| 1. | State or Local Officials who are elected or appointed on or after July 1, 2007 |
| 2. | Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits |
| 3. | Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits |
| 4. | Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually |
| 5. | Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually |

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2025, employee contributions totaled \$8,119 and the District's employer contribution, recognized in pension expense, was \$5,978. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

General Information about the OPEB Plan (cont'd)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to

Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2023, was \$52,361,668,239. Of this amount, the total OPEB liability attributable to the School District was \$6,749,542. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.01289%. The total OPEB liability for the School District measured as of June 30, 2023 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2023 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Total Nonemployer OPEB Liability

The total nonemployer 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:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% 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 used to measure the total OPEB liability 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.

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

Changes in the Total OPEB Liability

	Total OPEB Liability
State of New Jersey	
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967
Changes for the year:	
Service Cost	2,136,235,476
Interest	1,844,113,951
Changes of Benefit Terms	0
Differences between Expected and Actual	(980,424,863)
Changes of Assumptions	105,539,463
Benefit Payments	(1,437,516,858)
Contributions from Members	47,258,104
Net Changes	1,715,205,273
Balance as of June 30, 2023 Measurement Date	\$ 52,361,668,240

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2023		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.65%	3.65%	4.65%
\$ 61,385,066,712	52,361,668,239	45,116,926,835

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2023		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 43,468,257,358	52,361,668,239	63,998,719,320

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

NOTE 7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$346,725. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 984,778	\$ (1,777,762)
Changes of Assumptions	959,793	(1,862,632)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	1,593,210	(459,914)
Contributions Subsequent to the Measurement Date		
Total	\$ 3,537,781	\$ (4,100,308)

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

Measurement Period Ending June 30,		OPEB
2024	\$	1,035,654
2025		1,035,654
2026		1,067,645
2027		1,135,739
2028		1,208,636
Thereafter		2,154,760
Total	\$	7,638,088

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

NOTE 8. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, 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 School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District Wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, a liability existed for compensated absences in the General Fund of \$47,079 and none in the Food Service Fund.

NOTE 9. DEFERRED COMPENSATION

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

- Lincoln Investments
- GWN Marketing
- LSW

NOTE 10. RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior 2 years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$	\$ 1,842	\$	\$ 38,275
2023-2024		2,749		36,433
2022-2023		1,574		33,684

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following Interfund Balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 93,798	\$
Special Revenue		51,485
Food Service Fund		29,779
After School Childcare		12,534
Total	<u>\$ 93,798</u>	<u>\$ 93,798</u>

NOTE 12. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,780,302 General Fund balance at June 30, 2025, \$500,000 is restricted for Capital Reserve, of which \$330,000 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2026; \$206,870 has been restricted for excess surplus, of which \$75,688 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2026; \$114,400 is restricted for Maintenance Reserve, of which \$0 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2026; \$38,275 is reserved for Unemployment Compensation; \$410,706 is assigned for encumbrances; \$0 has been assigned and appropriated as anticipated revenue in the year ending June 30, 2026; \$320,795 is designated for subsequent year's expenditures, and \$189,256 is unreserved and undesignated.

Debt Service Fund - There was no undesignated Debt Service fund balance at June 30, 2025.

NOTE 13. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's legal counsel, there is one pending litigation which has been assigned to the insurance.

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2005, c.73(S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$206,870, of which \$75,688 must be budgeted in the 2025-2026 budget and \$131,182 must be budgeted in 2026-2027.

NOTE 15. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements.

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

NOTE 15. TAX ABATEMENT – (CONT'D)

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

NOTE 16. DEFICIT FUND BALANCES

The District had no deficit fund balance in the General Fund and a (\$20,805) deficit in unassigned fund balance in the Special Revenue Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as 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 deficit in the Special Revenue Fund does not alone indicate that the district is facing financial difficulties. The deficit in the Special Revenue Fund is equal to the 19th and 20th state aid payments received in July 2025.

NOTE 17. RECEIVABLES

Receivables at June 30, 2025 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 258,455	\$ 75,922	\$ 15,380	\$ 349,757
Other			1,455	1,455
Totals	\$ 258,455	\$ 75,922	\$ 16,835	\$ 351,212

NOTE 18. OPERATING LEASES

The School is a lessee for various copiers and a postage meter. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases. At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability.

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

NOTE 18. OPERATING LEASES – (CONT'D)

Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2025, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 2,748
Total	\$ <u>2,748</u>

NOTE 19. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Stow Creek Township School District by inclusion of a transfer from unassigned surplus. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

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

NOTE 19. CAPITAL RESERVE ACCOUNT – Continued

Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2025.

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

Beginning Balance, July 1, 2024	\$	500,000
Interest Earnings		
Deposits - Approved by Resolution		
Ending Balance, June 30, 2025	\$	500,000

The balance in Capital Reserve at June 30, 2025 is within the LRF maximum balance of local support costs of uncompleted capital projects in the amount of \$2,038,710. In Addition, \$330,000 was withdrawn in the 2025-2026 Budget.

NOTE 20 – MAINTENANCE RESERVE

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance July 1, 2024	\$	114,400
Withdrawn 2024-25 Budget		
Added by Resolution		
Ending Balance June 30, 2025	\$	114,400

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2025. In addition, the reserve is at the maximum amount of \$114,400 per the M-1.

NOTE 21. SUBSEQUENT EVENTS

There were no subsequent events affecting the District between June 30, 2025 and the Audit Report Date of November 18, 2025 except that as of July 1, 2025, the Greenwich School District and the Stow Creek School District merged into the Greenwich Stow Creek Regional School District and now functions as one district instead of two.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,393,733	\$	\$ 1,393,733	\$ 1,393,733	\$
Tuition from Individuals					
Transportation Fees from Other LEAs	62,000		62,000	83,825	21,825
Unrestricted Miscellaneous Revenues	50,100	(3,000)	47,100	32,299	(14,801)
Interest Earned		3,000	3,000	2,802	(198)
Interest Earned on Maintenance Reserve			0		
Total - Local Sources	<u>1,505,833</u>		<u>1,505,833</u>	<u>1,512,659</u>	<u>6,826</u>
State Sources:					
Categorical Special Education Aid	131,988		131,988	131,988	
Equalization Aid	546,539		546,539	546,539	
Categorical Security Aid	28,467		28,467	28,467	
Categorical Transportation Aid	102,421		102,421	102,421	
Additional Non Public Transportation				3,736	3,736
State Reimbursement for Menstrual Products				268	268
Extraordinary Aid				18,409	18,409
On-Behalf TPAF Pension Contrib (Non-budgeted)				330,916	330,916
On-behalf Post-Retirement Medical Contribution				96,694	96,694
On-behalf Long-term Disability Contribution				94	94
Reimbursed TPAF Social Security Contributions (Non-budgeted)				77,904	77,904
Total - State Sources	<u>809,415</u>		<u>809,415</u>	<u>1,337,436</u>	<u>528,021</u>
TOTAL REVENUES	<u>2,315,248</u>		<u>2,315,248</u>	<u>2,850,095</u>	<u>534,847</u>
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Kindergarten	92,804		92,804	90,828	1,976
Grades 1-5	304,465		304,465	259,993	44,472
Grades 6-8	237,460		237,460	178,876	58,584
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000		1,000		1,000
Regular Programs - Undistributed Instruction:					
Other Purchased Services	54,855	(17,735)	37,120	33,404	3,716
General Supplies	15,000	814	15,814	12,800	3,014
Other Objects	900		900		900
Total Regular Programs - Instruction	<u>\$ 706,484</u>	<u>\$ (16,921)</u>	<u>\$ 689,563</u>	<u>\$ 575,901</u>	<u>\$ 113,662</u>

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Resource Room/Resource Center					
Salaries of Teachers	\$ 67,756	\$	\$ 67,756	51,194	\$ 16,562
General Supplies	750		750		750
Total Resource Room/Resource Center	<u>68,506</u>		<u>68,506</u>	<u>51,194</u>	<u>17,312</u>
Total Special Education - Instruction	<u>68,506</u>		<u>68,506</u>	<u>51,194</u>	<u>17,312</u>
Basic Skills/Remedial - Instruction					
Other Salaries for Instruction					
General Supplies					
Total Basic Skills/Remedial - Instruction					
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	<u>3,500</u>	<u>1,100</u>	<u>4,600</u>	<u>4,600</u>	
Total School Sponsored Co-curr. Act. - Instr.	<u>3,500</u>	<u>1,100</u>	<u>4,600</u>	<u>4,600</u>	
School Sponsored Athletics - Athletics					
Salaries of Teachers	5,000		5,000	1,050	3,950
Purchased Services	2,000		2,000	1,235	765
Supplies and Materials	5,000		5,000		5,000
Total School Sponsored Athletics - Instruction	<u>12,000</u>		<u>12,000</u>	<u>2,285</u>	<u>9,715</u>
Total Instruction	<u>790,490</u>	<u>(15,821)</u>	<u>774,669</u>	<u>633,980</u>	<u>140,689</u>
Undistributed Expenditures:					
Instruction					
Tuition - CSSD & Regular Day Schools	<u>158,445</u>	<u>128,884</u>	<u>287,329</u>	<u>287,155</u>	<u>174</u>
Total Instruction	<u>158,445</u>	<u>128,884</u>	<u>287,329</u>	<u>287,155</u>	<u>174</u>
Attendance and Social Work Services:					
Salaries	<u>25,393</u>	<u>(2,000)</u>	<u>23,393</u>	<u>22,950</u>	<u>443</u>
Total Attendance and Social Work Services	<u>25,393</u>	<u>(2,000)</u>	<u>23,393</u>	<u>22,950</u>	<u>443</u>
Health Services:					
Salaries	53,048		53,048	51,048	2,000
Purch Professional/Technical Services	1,500		1,500	1,199	301
Other Purchased Services	500		500	53	447
Supplies and Materials	4,000		4,000	1,294	2,706
Total Health Services	\$ <u>59,048</u>	\$	\$ <u>59,048</u>	\$ <u>53,594</u>	\$ <u>5,454</u>

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	\$ 25,000	\$ (10,000)	\$ 15,000		\$ 15,000
Total Speech, OT, PT and Related Services	<u>25,000</u>	<u>(10,000)</u>	<u>15,000</u>		<u>15,000</u>
Other Support Services-Students-Extra Services:					
Purchased Professional/Educational Services					
Total Other Support Serv-Students-Extra Services					
Other Support Services - Students-Regular:					
Salaries Other Prof Staff					
Total Other Support Services - Students - Regular					
Guidance					
Salaries of Other Professional Staff	24,300		24,300		24,300
Total Undistributed Services Guidance	<u>24,300</u>		<u>24,300</u>		<u>24,300</u>
Other Support Services-Students-Child Study Teams:					
Purchased Professional - Educational Services	15,000	(870)	14,130		14,130
Total Other Support Serv-Child Study Teams	<u>15,000</u>	<u>(870)</u>	<u>14,130</u>		<u>14,130</u>
Improvement of Instruction Services:					
Purchased Prof - Ed Services	26,910	17,765	44,675	44,675	
Total Improvement of Instruction Services	<u>26,910</u>	<u>17,765</u>	<u>44,675</u>	<u>44,675</u>	
Educational Media Services/School Library:					
Other Purchased Services	800		800	434	366
Supplies and Materials	1,000		1,000	781	219
Total Educational Media Services/School Library	<u>1,800</u>		<u>1,800</u>	<u>1,215</u>	<u>585</u>
Instructional Staff Training Services:					
Purchased Professional/Educational Services					
Other Purchased Services					
Total Instructional Staff Training Services	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Salaries	\$ 62,691	\$ (4,000)	\$ 58,691	\$ 54,368	\$ 4,323
Legal Fees	4,500	3,980	8,480	8,480	
Audit Fees	16,000	27,460	43,460	20,230	23,230
Other Purchased Prof Services	6,000	18,514	24,514	24,514	
Communications/Telephone	5,000	3,878	8,878	8,878	
BOE Other Purchased Services	2,000	(1,492)	508	508	
Miscellaneous Purch Serv.	5,000	(1,167)	3,833	3,833	
General Supplies	1,500	(984)	516	516	
Total Support Services - General Administration	102,691	46,189	148,880	121,327	27,553
Support Services - School Administration:					
Salaries of Secretarial/Clerical Assistants	20,442		20,442	15,290	5,152
Other Purchased Services	500		500	200	300
Supplies and Materials	2,500	(1,158)	1,342	781	561
Total Support Services - School Administration	23,442	(1,158)	22,284	16,271	6,013
Central Services:					
Salaries	60,428	(19,984)	40,444	7,740	32,704
Purchased Professional Services	3,100	(300)	2,800	1,495	1,305
Purchased Technical Services	3,000	300	3,300	3,292	8
Supplies and Maintenance	1,000		1,000	885	115
Total Central Services	67,528	(19,984)	47,544	13,412	34,132
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	80,000	12,408	92,408	73,664	18,744
General Supplies	3,500		3,500	2,947	553
Total Required Maintenance for School Facilities	83,500	12,408	95,908	76,611	19,297
Other Operation and Maintenance of Plant Services:					
Salaries	13,400		13,400	10,949	2,451
Purchased Professional/Technical Services	80,000	(53,935)	26,065	16,977	9,088
Cleaning, Repair and Maintenance Services	70,000	5,300	75,300	18,876	56,424
Other Purchased Property Services	12,917		12,917	9,957	2,960
Insurance	17,645		17,645	8,532	9,113
General Supplies	25,000		25,000	13,363	11,637
Energy (Electricity)	35,000		35,000	23,341	11,659
Energy (Oil)	30,000	(4,337)	25,663	12,938	12,725
Total Other Operation and Maint. of Plant Services	283,962	(52,972)	230,990	114,933	116,057
Total Operation and Maintenance of Plant Services	\$ 367,462	\$ (40,564)	\$ 326,898	\$ 191,544	\$ 135,354

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:					
Sal. For Pupil Trans (Btw Home & School) - Reg	\$ 87,486	\$ 6,337	\$ 93,823	\$ 93,737	\$ 86
Management Fee - ESC & CTSA Trans. Program	1,800	(250)	1,550		1,550
Cleaning, Repair and Maintenance Services	61,055	(20,900)	40,155	39,699	456
Contracted Services - Aid in Lieu Payments - Non-Pub.	7,000	(3,350)	3,650	1,177	2,473
Miscellaneous Purchased Services - Transportation	3,300		3,300	3,300	
General Supplies	35,000		35,000	17,279	17,721
Total Student Transportation Services	<u>195,641</u>	<u>(18,163)</u>	<u>177,478</u>	<u>155,192</u>	<u>22,286</u>
Regular Programs - Instruction - Employee Benefits					
Social Security Contributions	25,875	7,361	33,236	33,203	33
Other Retirement Contributions - PERS	35,879	(4,250)	31,629	26,279	5,350
Workmen's Compensation	16,000		16,000	16,000	
Health Benefits	426,400	(94,896)	331,504	249,994	81,510
Other Employee Benefits	10,000		10,000		10,000
Total Allocated Benefits	<u>514,154</u>	<u>(91,785)</u>	<u>422,369</u>	<u>325,476</u>	<u>96,893</u>
Unallocated Benefits					
Tuition Reimbursement					
Total Unallocated Benefits					
On-Behalf TPAF Pension Contrib (Non-budgeted)				330,916	
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				96,694	
On-behalf Long-term Disability Contribution				94	
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				77,904	
Total Undistributed Expenditures	<u>1,606,814</u>	<u>8,314</u>	<u>1,615,128</u>	<u>1,738,419</u>	<u>(123,291)</u>
Interest Earned on Maintenance Reserve					
TOTAL EXPENDITURES - CURRENT EXPENSE	<u>\$ 2,397,304</u>	<u>\$ (7,507)</u>	<u>\$ 2,389,797</u>	<u>\$ 2,372,399</u>	<u>\$ 17,398</u>

STOW CREEK TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Undist. Exp-School Buses - regular	\$	\$ 22,500	\$ 22,500	\$ 22,500	\$
Total Undistributed Expenditures		22,500	22,500	22,500	
Facilities Acquisition and Construction Services:					
Architectural/ Engineering Services	30,000	12,680	42,680	42,266	414
Construction Services	300,000		300,000	12,787	287,213
Assessment for Debt Service on SDA Funding					
Other Purchased Prof. and Tech. Services	739		739	739	
Total Facilities Acquisition and Construction Services	330,739	12,680	343,419	55,792	287,627
Interest Deposit to Capital Reserve					
TOTAL CAPITAL OUTLAY	330,739	35,180	365,919	78,292	287,627
TOTAL EXPENDITURES	2,728,043	27,673	2,755,716	2,450,691	305,025
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(412,795)	(27,673)	(440,468)	399,404	839,872
Other Financing Sources (Uses):					
Transfer from Capital Projects Fund				28,659	28,659
Transfer to Preschool - Inclusion	(14,861)		(14,861)	(14,861)	
Total Other Financing Sources	(14,861)		(14,861)	13,798	28,659
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(427,656)	(27,673)	(455,329)	413,202	868,531
Fund Balances, July 1	1,431,580		1,431,580	1,431,580	
Fund Balances, June 30	\$ 1,003,924	\$ (27,673)	\$ 976,251	\$ 1,844,782	\$ 868,531
RECAPITULATION:					
Restricted Fund Balance:					
Capital Reserve				\$ 170,000	
Maintenance Reserve				114,400	
Unemployment Compensation				38,275	
Excess Surplus				131,182	
Excess Surplus - Designated for Subsequent Year's Expenditures				75,688	
Assigned Fund Balance:					
Encumbrances				410,706	
Designated for Subsequent Year's Expenditures				320,795	
Capital Reserve - Designated for Subsequent Year's Expenditures				330,000	
Unassigned Fund Balance				253,736	
				1,844,782	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(64,480)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,780,302	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$	\$ 15,334	\$ 15,334	\$ 125,748	\$ 110,414
Federal Sources	212,598	16,312	228,910	196,433	(32,477)
State Sources	378,226		378,226	252,482	(125,744)
Total Revenues	<u>590,824</u>	<u>31,646</u>	<u>622,470</u>	<u>574,663</u>	<u>(47,807)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	169,062	1,642	170,704	170,704	
Other Salaries for Instruction	65,325		65,325	65,325	
Purchased Professional and Technical Services	24,400	6,500	30,900	29,303	1,597
General Supplies	58,526	1,613	60,139	45,052	15,087
Textbooks	5,114		5,114	5,114	
Total Instruction	<u>322,427</u>	<u>9,755</u>	<u>332,182</u>	<u>315,498</u>	<u>16,684</u>
Support Services					
Salaries of Other	9,008		9,008	9,008	
Salaries of Secretaries and Clerical Assistants	7,581		7,581	7,581	
Employee Benefits	138,460		138,460	137,035	1,425
Purchased Professional Technical Services	74,887	5,554	80,441	57,803	22,638
Purchased Professional Educational Services	14,788	512	15,300	3,833	11,467
Materials and Supplies	23,673	491	24,164	15,867	8,297
Student Activities		15,334	15,334	15,334	
Total Support Services	<u>268,397</u>	<u>21,891</u>	<u>290,288</u>	<u>246,461</u>	<u>43,827</u>
Facilities Acquisition and Construction Services:					
Facilities					
Buildings					
Total Facilities Acquisition and Constr. Serv.					
Total Expenditures	<u>590,824</u>	<u>31,646</u>	<u>622,470</u>	<u>561,959</u>	<u>60,511</u>
Other Financing Sources (Uses)					
Total Outflows	<u>590,824</u>	<u>31,646</u>	<u>622,470</u>	<u>561,959</u>	<u>60,511</u>
Transfer of Preschool Inclusion from General Fund				14,861	14,861
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 27,565</u>	<u>\$ 27,565</u>
Fund Balance, July 1				26,638	
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 54,203</u>	<u>\$</u>
Recapitulation:					
Restricted					
Student Activities				\$ 54,203	
Total Fund Balance				<u>\$ 54,203</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

STOW CREEK TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 2,850,095	[E-1] \$ 574,663
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		48,437
Current Year		(3,585)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	40,372	19,663
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(64,480)	(20,805)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 2,825,987	[B-2] \$ 618,373
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 2,450,691	[E-1] \$ 561,959
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		48,437
Current Year		(3,585)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 2,450,691	[B-2] \$ 606,811

REQUIRED SUPPLEMENTARY INFORMATION – PART III

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.001492%	0.002230%	0.002603%	0.002619%	0.002124%	0.001811%	0.001758%	0.001689%	0.001830%	0.001992%
District's Proportionate Share of the Net Pension Liability	\$ 202,724	\$ 323,006	\$ 392,828	\$ 310,204	\$ 346,406	\$ 326,283	\$ 346,094	\$ 393,178	\$ 542,012	\$ 447,142
District's Covered-Employee Payroll	\$ 125,051	\$ 129,385	\$ 138,988	\$ 173,985	\$ 239,383	\$ 183,305	\$ 138,666	\$ 121,829	\$ 123,440	\$ 117,014
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	162.11%	249.65%	282.63%	178.29%	144.71%	178.00%	249.59%	322.73%	439.09%	382.13%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	48.10%	40.14%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 20,301	\$ 29,805	\$ 32,825	\$ 30,666	\$ 23,238	\$ 17,750	\$ 17,591	\$ 15,966	\$ 16,406	\$ 17,125
Contributions in relation to the Contractually Required Contribution	(20,301)	(29,805)	(32,825)	(30,666)	(23,238)	(17,750)	(17,591)	(15,966)	(16,406)	(17,125)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 125,051	\$ 129,385	\$ 138,988	\$ 173,985	\$ 239,383	\$ 183,305	\$ 138,666	\$ 121,829	\$ 123,440	\$ 117,014
Contributions as a Percentage of Covered-Employee Payroll	16.23%	23.04%	23.62%	17.63%	9.71%	9.68%	12.69%	13.11%	13.29%	14.64%

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.007890%	0.006934%	0.009086%	0.009007%	0.008659%	0.008365%	0.008102%	0.008148%	0.008006%	0.007886%
District's Proportionate Share of the Net Pension Liability	\$ 3,899,646	\$ 3,538,647	\$ 4,688,014	\$ 4,330,254	\$ 5,702,164	\$ 5,133,856	\$ 5,154,033	\$ 5,493,835	\$ 6,928,203	\$ 4,984,452
District's Covered-Employee Payroll	\$ 1,006,281	\$ 932,925	\$ 935,011	\$ 869,419	\$ 828,195	\$ 884,249	\$ 915,652	\$ 898,562	\$ 857,458	\$ 837,974
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	387.53%	379.31%	501.39%	498.06%	688.51%	580.59%	562.88%	611.40%	807.99%	594.82%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$	\$ 236,033	\$ 295,975	\$ 306,666	\$ 167,635	\$ 153,821	\$ 166,595	\$ 201,147
Interest Cost		237,711	178,490	188,172	168,281	196,011	190,825	165,585
Changes of Benefit Terms				(7,721)				
Differences Between Expected and Actual Experiences		(293,785)	984,802	(316,162)	985,586	(559,513)	95,660	
Changes of Assumptions		13,604	(1,806,774)	7,156	1,318,686	70,089	(571,528)	(689,409)
Member Contributions		6,092	5,672	4,811	3,809	4,277	4,603	4,458
Gross Benefit Payments		(185,299)	(176,799)	(148,227)	(125,679)	(144,301)	(133,175)	(121,079)
Net Change in Total OPEB Liability		14,356	(518,634)	34,695	2,518,318	(279,616)	(247,020)	(439,298)
Total OPEB Liability - Beginning		6,749,542	6,735,186	7,253,820	7,219,125	4,980,423	5,227,443	5,666,741
Total OPEB Liability - Ending	\$	\$ 6,749,542	\$ 6,735,186	\$ 7,253,820	\$ 7,219,125	\$ 4,700,807	\$ 4,980,423	\$ 5,227,443
Covered-Employee Payroll	\$	\$ 1,131,332	\$ 1,062,310	\$ 1,073,999	\$ 1,043,404	\$ 1,067,578	\$ 1,054,318	\$ 1,020,391
Total OPEB Liability as a Percentage of Covered-Employee Payroll		596.60%	635.36%	627.11%	695.21%	676.22%	440.33%	472.38%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Title I 2024-25	NCLB Title IIA	Title IV ESEA	IDEA		Sub-Total Per E-1(2)	Sub-Total Per E-1(3)	Totals	
				IDEA Basic Flow- Through	Pre- School			2025	2024
REVENUES:									
Local Sources						\$ 15,718	\$ 110,030	\$ 125,748	\$ 107,910
Federal Sources	\$ 23,559	\$ 1,586	\$ 12,155	\$ 48,649	\$ 1,193	109,291		196,433	246,098
State Sources							252,482	252,482	228,751
Total Revenues	23,559	1,586	12,155	48,649	1,193	125,009	362,512	574,663	582,759
EXPENDITURES:									
Instruction:									
Salaries of Teachers						31,382	139,322	170,704	139,393
Other Salaries for Instruction	15,234						50,091	65,325	65,764
Purchased Professional and Technical Services			11,465				17,838	29,303	22,971
General Supplies						25,343	19,709	45,052	47,387
Textbooks							5,114	5,114	5,518
Total Instruction	15,234		11,465			56,725	232,074	315,498	281,033
Support Services:									
Salaries of Teachers									13,000
Salaries of Other							9,008	9,008	9,406
Salaries of Secretaries and Clerical Assistants							7,581	7,581	7,365
Employee Benefits	8,325						128,710	137,035	117,275
Purchased Professional Technical Services			690	48,649	1,193	7,271		57,803	3,173
Purchased Professional Educational Services		1,586				2,247		3,833	
Purchased Property Services									46,834
Other Purchased Services									92,600
Materials and Supplies						15,867		15,867	11,139
Student Activities						15,334		15,334	14,536
Total Support Services	8,325	1,586	690	48,649	1,193	40,719	145,299	246,461	315,328
Facilities Acquisition/Construction:									
Facilities									
Instructional Equipment						5,965		5,965	
Non Instructional Equipment						21,216		21,216	
Building									2,401
Total Facilities Acquisition/Construction						27,181		27,181	2,401
Total Expenditures	\$ 23,559	\$ 1,586	\$ 12,155	\$ 48,649	\$ 1,193	\$ 124,625	\$ 377,373	\$ 589,140	\$ 598,762
Excess (Deficiency) of Revenues Over (Under) Expenditures						\$ 384	\$ (14,861)	\$ (14,477)	\$ (16,003)
Transfer from General Fund							14,861	14,861	14,045
						384		384	(1,958)
Fund Balance, July 1						26,638		26,638	28,596
Fund Balance, June 30	\$	\$	\$	\$	\$	\$ 27,022	\$	\$ 27,022	\$ 26,638

STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	ARP					REAP		Student Activity	Totals 2025	Totals 2024
	ESSER III	Accel. Learning	Summer Learning	Esser Beyond	Mental Health	23-24	24-25			
REVENUES:										
Local sources								\$ 15,718	\$ 15,718	\$ 12,578
Federal Sources	\$ 17,302	\$ 12,525	\$ 26,411	\$ 20,567	\$ 9,300	\$ 5,974	\$ 17,212		109,291	138,463
State Sources										
Total Revenues	17,302	12,525	26,411	20,567	9,300	5,974	17,212	15,718	125,009	151,041
EXPENDITURES:										
Instruction:										
Salaries of Teachers			26,233	5,149					31,382	20,371
Other Salaries for Instruction										
Purchased Professional and Technical Services										15,000
General Supplies		117	178	1,862		5,974	17,212		25,343	17,266
Textbooks										
Total Instruction		117	26,411	7,011		5,974	17,212		56,725	52,637
Support Services:										
Salaries of Teachers										13,000
Salaries of Other										
Salaries of Secretaries and Clerical Assistants										
Employee Benefits										
Purchased Professional Technical Services		484		330	6,457				7,271	17,040
Purchased Professional Educational Services	2,247								2,247	
Purchased Property Services										44,053
Other Purchased Services										17,040
Materials and Supplies	2,870	6,326		3,828	2,843				15,867	9,332
Student Activities								15,334	15,334	14,536
Total Support Services	5,117	6,810		4,158	9,300			15,334	40,719	97,961
Facilities Acquisition/Construction:										
Facilities										2,401
Instructional Equipment	1,422			4,543					5,965	
Non Instructional Equipment	10,763	5,598		4,855					21,216	
Total Facilities Acquisition/Construction	12,185	5,598		9,398					27,181	2,401
Total Expenditures	\$ 17,302	\$ 12,525	\$ 26,411	\$ 20,567	\$ 9,300	\$ 5,974	\$ 17,212	\$ 15,334	\$ 124,625	\$ 152,999
Excess (Deficiency) of Revenues Over (Under) Expenditures								384	384	(1,958)
Fund Balance, July 1								26,638	26,638	28,596
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$ 27,022	\$ 27,022	\$ 26,638

STOW CREEK TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	N.J. Nonpublic Security Aid	N.J. Nonpublic Textbook Aid	Non Public Nursing	Non Public Technology	Preschool Education	Totals 2025	Totals 2024
REVENUES:							
Local Sources					\$ 110,030	\$ 110,030	\$ 95,332
Federal Sources							
State Sources	\$ 19,709	\$ 5,114	\$ 13,000	\$ 4,838	209,821	252,482	228,751
Total Revenues	19,709	5,114	13,000	4,838	319,851	362,512	324,083
EXPENDITURES:							
Instruction:							
Salaries of Teachers					139,322	139,322	119,022
Other Salaries for Instruction					50,091	50,091	48,628
Purchased Professional and Technical Services			13,000	4,838		17,838	6,921
General Supplies	19,709					19,709	19,832
Textbooks		5,114				5,114	5,518
Total Instruction	19,709	5,114	13,000	4,838	189,413	232,074	199,921
Support Services:							
Salaries of Teachers							
Salaries of Other					9,008	9,008	9,406
Salaries of Secretaries and Clerical Assistants					7,581	7,581	7,365
Employee Benefits					128,710	128,710	117,275
Purchased Professional Technical Services							
Purchased Professional Educational Services							
Purchased Property Services							2,781
Other Purchased Services							
Materials and Supplies							1,380
Student Activities							
Total Support Services					145,299	145,299	138,207
Facilities Acquisition/Construction:							
Instructional Equipment							
Total Facilities Acquisition/Construction							
Total Expenditures	\$ 19,709	\$ 5,114	\$ 13,000	\$ 4,838	\$ 334,712	\$ 377,373	\$ 338,128
Transfer from General Fund					\$ 14,861	\$ 14,861	\$ 14,045
Excess (Deficiency) of Revenues Over (Under) Expenditures							

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 139,322	\$ 139,322	\$
Other Salaries for Instruction	50,091	50,091	
PEA in Supplies & Materials			
Total Instruction	<u>189,413</u>	<u>189,413</u>	
Support:			
Salaries of Other	9,008	9,008	
Salaries of Secretaries and Clerical Assistants	7,581	7,581	
Employee Benefits	128,710	128,710	
Total Support Services	<u>145,299</u>	<u>145,299</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Total Expenditures	<u>\$ 334,712</u>	<u>\$ 334,712</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2023-2024 Preschool Education Aid Allocation	\$ 208,054	(1)
Tuition from Greenwich Board of Education	110,030	(2)
Add: Actual ECPA/PEA Carryover (June 30, 2024)	5,556	(3)
Prior Year Adjustment	18,783	(4)
Add: Budgeted Transfer from the General Fund 2024-2025	14,861	(5)
Total Preschool Education Aid Funds Available for 2024-2025 Budget	<u>357,284</u>	
Less: 2024-2025 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(334,712)</u>	(6)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	22,572	(7)
Add: June 30, 2025 Unexpended Preschool Education Aid		(8)
Less: 2024-2025 Commissioner-approved Transfer to the General Fund		(9)
2024-2025 Carryover - Preschool Education Aid/Preschool Programs	<u>22,572</u>	(10)
2024-2025 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2025-2026	<u>73,506</u>	(11)
The Board should consider appropriating this additional carry-over into the 2025-2026 budget	<u>\$ (50,934)</u>	

CAPITAL PROJECTS FUND DETAIL STATEMENT

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.

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Number</u>	<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Balance 6/30/25</u>	<u>Memo Only</u>	
			<u>Prior Year</u>	<u>Current Year</u>			<u>Encumbrances</u>	<u>Available Balance</u>
2020-1	Acquisition of Fire Doors	\$ 65,000	\$ 36,341	\$	\$ (28,659)	\$	\$	
		<u>\$ 65,000</u>	<u>\$ 36,341</u>	<u>\$</u>	<u>\$ (28,659)</u>	<u>\$</u>	<u>\$</u>	

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

**Revenues and Other Financing
Sources**

Transfer from Capital Reserve	\$ _____
Total Revenues	_____

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	
Construction Services	_____
Total Expenditures	_____

Excess (Deficiency) of Revenues Over (Under) Expenditures

Transfer to General Fund	(28,659)
Fund Balance - Beginning	28,659
Fund Balance - Ending	\$ <u>0</u>

STOW CREEK TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

<u>Acquisition of Fire Doors</u>	<u>Prior</u>	<u>Current</u>	<u>Cancellation</u>	<u>Totals</u>	<u>Revised</u>
	<u>Periods</u>	<u>Year</u>			<u>Authorized</u>
					<u>Cost</u>
Revenues and Other Financing Sources					
Transfer from Capital Reserve	\$ 65,000	\$ _____	\$ (28,659)	\$ 36,341	\$ 36,341
Total Revenues	<u>65,000</u>	<u>_____</u>	<u>(28,659)</u>	<u>36,341</u>	<u>36,341</u>
Expenditures and Other Financing Uses					
Construction Services	36,341	_____	_____	36,341	36,341
Total Expenditures	<u>36,341</u>	<u>_____</u>	<u>_____</u>	<u>36,341</u>	<u>36,341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 28,659</u>	<u>\$ _____</u>	<u>\$ (28,659)</u>	<u>\$ _____</u>	<u>\$ _____</u>

PROPRIETARY FUNDS

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025 AND 2024

	<u>Food Service Fund</u>	<u>After School Childcare</u>	<u>Total</u>	
			<u>2025</u>	<u>2024</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 35,483	\$ 35,705	\$ 71,188	\$ 51,902
Accounts Receivable:				
State	361		361	385
Federal	2,248		2,248	1,577
Other	274	1,181	1,455	1,695
Intergovernmental	12,771		12,771	25,635
Inventories	2,366		2,366	1,577
Total Current Assets	<u>53,503</u>	<u>36,886</u>	<u>90,389</u>	<u>82,771</u>
Fixed Assets:				
Equipment	44,844		44,844	34,922
Accumulated Depreciation	(15,405)		(15,405)	(24,639)
Total Fixed Assets	<u>29,439</u>		<u>29,439</u>	<u>10,283</u>
Total Assets	<u>82,942</u>	<u>36,886</u>	<u>119,828</u>	<u>93,054</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	3,470		3,470	
Interfund Payable	29,779	12,534	42,313	42,956
Unearned Revenue	1,981	8	1,989	629
Total Current Liabilities	<u>35,230</u>	<u>12,542</u>	<u>47,772</u>	<u>43,585</u>
Total Liabilities	<u>35,230</u>	<u>12,542</u>	<u>47,772</u>	<u>43,585</u>
NET POSITION:				
Investment in Fixed Assets	29,439		29,439	10,283
Unrestricted	18,273	24,344	42,617	39,186
Total Net Position	<u>\$ 47,712</u>	<u>\$ 24,344</u>	<u>\$ 72,056</u>	<u>\$ 49,469</u>

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	Food Service Fund	After School Childcare	Total	
			2025	2024
OPERATING REVENUES:				
Local Sources:				
Food Sales Reimbursable Programs	\$ 12,967	\$	\$ 12,967	\$ 13,256
Food Sales Non-Reimbursable Programs	4,605		4,605	4,812
After School Childcare Fees		14,969	14,969	25,365
Total Operating Revenue	17,572	14,969	32,541	43,433
OPERATING EXPENSES:				
Salaries and Benefits	14,545	17,368	31,913	38,615
Supplies and Materials	1,171	1,329	2,500	28,801
Cost of Sales	26,161		26,161	31,819
Cost of Sales - Non Program Food	2,904		2,904	2,961
Management Fee				6,441
Miscellaneous	301		301	1,086
Depreciation	1,073		1,073	1,590
Total Operating Expenses	46,155	18,697	64,852	111,313
Operating Income/(Loss)	(28,583)	(3,728)	(32,311)	(67,880)
NON-OPERATING REVENUES:				
State Sources:				
State School Breakfast Program	55		55	158
State School Lunch Program	717		717	894
Summer-EBT Administrative Cost	301		301	321
Federal Sources:				
National School Breakfast Program	4,747		4,747	4,117
National School Lunch Program	20,171		20,171	18,050
CFDA LFS	416		416	
Summer-EBT Administrative Cost	301		301	322
Supply Chain Assistance Funding				9,660
Food Distribution Program	10,696		10,696	10,103
Interest	10		10	18
Total Non-Operating Revenues	37,414		37,414	43,643
Change in Net Assets Before Operating Transfers				
In/(out)	8,831	(3,728)	5,103	(24,237)
Fixed Asset Adjustment	17,484		17,484	
Net (Loss)/Income	26,315	(3,728)	22,587	(24,237)
Net Position - July 1	21,397	28,072	49,469	73,706
Net Position - June 30	\$ 47,712	\$ 24,344	\$ 72,056	\$ 49,469

STOW CREEK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2025

	Food Service Fund	After School Childcare	Total	
			2025	2024
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 17,572	\$ 14,969	\$ 32,541	\$ 43,433
Payments to Employees	(14,545)	(17,368)	(31,913)	(38,615)
Payments to Suppliers	(14,892)		(14,892)	(50,487)
Payments to Others	(301)	(818)	(1,119)	(3,496)
Net Cash Provided by (Used for) Operating Activities	(12,166)	(3,217)	(15,383)	(49,165)
Cash Flows from Non-capital Financing Activities				
State Sources	1,073		1,073	1,373
Federal Sources	36,331		36,331	42,252
Interfund Transfer				
Net Cash Provided by (Used for) Non-capital Financing Activities	37,404		37,404	43,625
Cash Flows from Capital Financing Activities				
Purchase of Fixed Assets	(2,745)		(2,745)	(5,967)
Net Cash Provided by (Used for) Capital Financing	(2,745)		(2,745)	(5,967)
Cash Flows from Investing Activities				
Interest and Dividends	10		10	18
Net Cash Provided by (Used for) Investing Activities	10		10	18
Net Increase/(Decrease) in Cash and Cash Equivalents	22,503	(3,217)	19,286	(11,489)
Balances - Beginning of Year	12,980	38,922	51,902	63,391
Balances - End of Year	\$ 35,483	\$ 35,705	\$ 71,188	\$ 51,902
Operating Income/(Loss)	\$ (28,583)	\$ (3,728)	\$ (32,311)	\$ (67,880)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:				
Depreciation	1,073		1,073	1,590
Change in Assets and Liabilities:				
Decrease/(Increase) in Accounts Receivable	11,954	503	12,457	17,859
Decrease/(Increase) in Interfund Receivable				
Decrease/(Increase) in Inventory	(789)		(789)	19
Increase/(Decrease) in Accounts Payable	3,470		3,470	
Increase/(Decrease) in Interfund Payable	(643)		(643)	(653)
Increase/(Decrease) in Cash Overdraft				
Increase/(Decrease) in Unearned Revenue	1,352	8	1,360	(100)
Total Adjustments	16,417	511	16,928	18,715
Net Cash Used by Operating Activities	\$ (12,166)	\$ (3,217)	\$ (15,383)	\$ (49,165)

STATISTICAL SECTION

STOW CREEK TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 383,497	\$ 376,841	\$ 367,725	\$ 395,828	\$ 398,228	\$ 167,238	\$ 345,049	\$ 546,095	\$ 623,596	\$ 760,833
Restricted	317,106	388,213	367,016	384,474	685,210	813,850	797,328	920,951	1,234,147	1,618,068
Unrestricted (Deficit)	(279,417)	(307,854)	(259,728)	(321,269)	(340,416)	(287,462)	(185,689)	49,852	(144,005)	(171,954)
Total Governmental Activities Net Position	\$ 421,186	\$ 457,200	\$ 475,013	\$ 459,033	\$ 743,022	\$ 693,626	\$ 956,688	\$ 1,516,898	\$ 1,713,738	\$ 2,206,947
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 4,813	\$ 4,306	\$ 3,800	\$ 3,293	\$ 2,746	\$ 12,056	\$ 9,911	\$ 5,906	\$ 10,283	\$ 29,439
Unrestricted	5,963	12,525	18,635	20,114	20,623	10,837	23,682	67,800	39,186	42,617
Total Business-Type Activities Net Position	\$ 10,776	\$ 16,831	\$ 22,435	\$ 23,407	\$ 23,369	\$ 22,893	\$ 33,593	\$ 73,706	\$ 73,706	\$ 72,056
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 388,310	\$ 381,147	\$ 371,525	\$ 399,121	\$ 400,974	\$ 179,294	\$ 354,960	\$ 552,001	\$ 633,879	\$ 790,272
Restricted	317,106	388,213	367,016	384,474	685,210	813,850	797,328	920,951	1,234,147	1,618,068
Unrestricted (Deficit)	(273,454)	(295,329)	(241,093)	(301,155)	(319,793)	(276,625)	(162,007)	117,652	(104,819)	(129,337)
Total District-Wide Net Position	\$ 431,962	\$ 474,031	\$ 497,448	\$ 482,440	\$ 766,391	\$ 716,519	\$ 990,281	\$ 1,590,604	\$ 1,763,207	\$ 2,279,003

Source: ACFR Schedule A-1

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 717,894	700,516	794,950	858,470	710,666	828,456	913,124	837,686	838,936	964,682
Special Education	52,738	87,246	1,209	62,884	103,919	95,820	102,201	46,066	51,346	52,711
Other	34,190	31,755	54,895	38,505	32,957	70,507	27,765	6,394	1,770	7,101
Support Services										
Tuition	11,175	20,258	7,451	51,371	46,889	43,247	56,885	117,201	139,105	287,155
Student and Instruction Related Services	144,172	157,887	127,865	134,896	216,555	183,021	194,256	279,556	314,794	249,767
General Administrative Services	129,081	114,353	141,760	143,265	183,654	123,265	102,343	95,808	91,668	123,365
School Administrative Services	21,095	24,060	25,558	26,622	27,114	30,700	25,712	27,137	19,936	20,309
Central Services	32,635	23,337	20,899	51,795	34,558	25,369	54,742	58,625	64,105	16,053
Plant Operations and Maintenance	199,520	220,251	198,128	184,299	183,010	204,839	225,555	264,821	183,986	196,537
Pupil Transportation	167,778	118,682	169,573	192,512	163,602	155,346	174,073	175,004	193,559	155,192
Other Support Services	847,299	1,069,535	1,249,367	1,090,513	1,116,099	1,287,400	1,043,509	965,635	993,774	869,544
Interest on Debt	739	739	739	739	739	739	739	739	739	739
Total Governmental Activities Expenses	2,358,316	2,568,619	2,792,394	2,835,871	2,819,762	3,048,709	2,920,904	2,874,672	2,893,718	2,943,155
Business-Type Activities										
Food Service	77,461	78,724	77,729	77,495	66,356	91,301	114,787	89,736	93,684	46,155
Child Care	13,332	11,977	11,976	16,016	20,207	8,882	14,647	16,628	17,629	18,697
Total Business-Type Activities Expense	90,793	90,701	89,705	93,511	86,563	100,183	129,434	106,364	111,313	64,852
Total District Expenses	\$ 2,449,109	2,659,320	2,882,099	2,929,382	2,906,325	3,148,892	3,050,338	2,981,036	3,005,031	3,008,007
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 400,065	559,625	503,651	527,558	590,916	709,624	525,424	576,357	668,817	592,586
Charges for Services						3,884	5,492	15,756	12,578	15,718
Total Governmental Activities Program Revenues	400,065	559,625	503,651	527,558	590,916	713,508	530,916	592,113	681,395	608,304
Business-Type Activities										
Charges for Services										
Food Service	46,045	47,978	33,285	46,678	31,823	16,621	49,024	48,330	18,068	17,572
Child Care	16,299	16,584	21,999	19,204	15,558	2,545	20,580	20,194	25,365	14,969
Operating Grants and Contributions	20,872	21,176	20,306	19,547	14,018	53,941	58,695	72,954	43,625	37,404
Total Business-Type Activities Program Revenues	83,216	85,738	75,590	85,429	61,399	73,107	128,299	141,478	87,058	69,945
Total District Program Revenues	\$ 483,281	645,363	579,241	612,987	652,315	786,615	659,215	733,591	768,453	678,249
Net (Expense)/Revenue										
Governmental Activities	\$ (1,958,251)	(2,008,994)	(2,288,743)	(2,308,313)	(2,228,846)	(2,335,201)	(2,389,988)	(2,282,559)	(2,212,323)	(2,334,851)
Business-Type Activities	(7,577)	(4,963)	(14,115)	(8,082)	(25,164)	(27,076)	(1,135)	35,114	(24,255)	5,093
Total District-Wide Net Expense	\$ (1,965,828)	(2,013,957)	(2,302,858)	(2,316,395)	(2,254,010)	(2,362,277)	(2,391,123)	(2,247,445)	(2,236,578)	(2,329,758)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 1,030,397	1,044,065	1,078,995	1,100,575	1,158,624	1,215,796	1,276,797	1,326,975	1,366,405	1,393,733
Unrestricted Grants and Contributions	965,397	975,767	1,177,083	1,102,869	986,957	1,138,359	1,161,923	1,323,373	777,681	1,095,369
Tuition Received	12,960	6,720	3,200						6,050	-
Transportation Fees Received	37,250	6,710		41,078	39,910	49,255	97,670	127,424	108,075	83,825
Investment Earnings									657	2,802
Miscellaneous Income	40,937	22,746	66,956	56,811	352,367	42,216	124,515	54,617	150,295	158,047
Fixed Asset Adjustment						(185,561)		17,222		94,284
Right-to-Use Lease Adjustment							3,963			
Transfers	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)		
Total Governmental Activities	2,079,676	2,045,008	2,306,556	2,292,333	2,512,835	2,236,390	2,653,050	2,842,769	2,409,163	2,828,060
Business-Type Activities										
Investment and Miscellaneous Earnings	27	18	41	54	103	80	17	17	18	10
Fixed Asset Adjustment						2,845	(1,860)			17,484
Transfers	7,265	11,000	19,678	9,000	25,023	23,675	11,818	6,842		
Total Business-Type Activities	7,292	11,018	19,719	9,054	25,126	26,600	11,835	4,999	18	17,494
Total District-Wide	\$ 2,086,968	2,056,026	2,326,275	2,301,387	2,537,961	2,262,990	2,664,885	2,847,768	2,409,181	2,845,554
Change in Net Position										
Governmental Activities	\$ 121,425	36,014	17,813	(15,980)	283,989	(98,811)	263,062	560,210	196,840	493,209
Business-Type Activities	(285)	6,055	5,604	972	(38)	(476)	10,700	40,113	(24,237)	22,587
Total District-Wide	\$ 121,140	42,069	23,417	(15,008)	283,951	(99,287)	273,762	600,323	172,603	515,796

Source: ACFR Schedule A-2

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve Account	116,391	197,690	75,580	75,958	353,630	353,880		200,000	500,000	170,000
Excess Surplus	122,610	77,125	186,436	120,660	179,802	178,531	160,206	372,652	343,212	206,870
Maintenance Reserve	60,000	105,000	105,000	73,332	40,818	80,833	114,400	114,400	114,400	114,400
Unemployment Compensation						29,107	32,110	33,684	36,433	38,275
Assigned:										
Capital Reserve Account				65,000	73,582		132,789			330,000
Year-end Encumbrances	16,539	7,528		3,364	8,719	117,875	53,296	142,960	24,673	410,706
Subsequent Year's Expenditures	1,566	870	46,392	46,160			580		160,132	320,795
Maintenance Reserve							50,000			
Unassigned	169,622	171,836	174,195	173,155	178,338	186,119	195,988	398,170	212,358	189,256
Total General Fund	\$ 486,728	\$ 560,049	\$ 587,603	\$ 557,629	\$ 834,889	\$ 946,345	\$ 739,369	\$ 1,261,866	\$ 1,391,208	\$ 1,780,302
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$ 24,965	\$ 25,868	\$ 28,596	\$ 26,638	\$ 27,022
Committed					28,659	28,659	28,659	28,659	28,659	
Unassigned, Reported in:										
Special Revenue Fund (Deficit)				(8,660)	(17,623)	(17,924)	(19,529)	(18,575)	(19,663)	(20,805)
Total All Other Governmental Funds	\$	\$	\$	\$ (8,660)	\$ 11,036	\$ 35,700	\$ 34,998	\$ 38,680	\$ 35,634	\$ 6,217

Source: ACFR Schedule B-1

STOW CREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ending,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax Levy	\$ 1,030,397	\$ 1,044,065	\$ 1,078,995	\$ 1,100,575	\$ 1,158,624	\$ 1,215,796	\$ 1,276,797	\$ 1,326,975	\$ 1,366,405	\$ 1,393,733
Tuition Charges	12,960	6,720	3,200						6,050	
Transportation Charges	37,250	6,710		41,078	39,910	49,255	97,670	127,424	108,075	83,825
Interest Earnings	736	736	500	378	500	317	265		657	2,802
Miscellaneous	40,201	22,010	66,456	56,433	351,867	41,899	124,250	54,617	150,295	158,047
State Sources	1,048,328	1,079,912	1,102,886	1,217,578	1,292,506	1,312,943	1,380,528	1,393,289	1,242,189	1,613,105
Federal Sources	76,889	73,910	106,868	110,559	80,606	148,734	194,438	380,868	215,832	192,848
Total Revenues	2,246,761	2,234,063	2,358,905	2,526,601	2,924,013	2,768,944	3,073,948	3,283,173	3,089,503	3,444,360
Expenditures										
Instruction										
Regular Instruction	710,869	694,592	789,417	853,084	704,749	820,536	893,253	811,529	800,670	928,349
Special Education Instruction	52,738	87,246	1,209	62,884	103,919	95,820	102,201	44,714	49,748	51,194
Other Instruction	34,190	31,755	54,895	38,505	32,957	70,507	27,765	6,202	1,543	6,885
Support Services										
Tuition	11,175	20,258	7,451	51,371	46,889	43,247	56,885	117,201	139,105	287,155
Student and Instruction Related Services	144,172	157,887	127,865	134,896	216,555	183,021	194,256	270,644	304,256	239,762
General Administration	129,061	114,336	141,744	143,250	183,637	123,243	96,703	93,993	89,522	121,327
School Administrative Services	21,095	24,060	25,558	26,622	27,114	30,700	25,712	23,540	15,683	16,271
Central Services	32,635	23,337	20,899	51,795	34,558	25,369	54,742	56,273	61,323	13,412
Plant Operations and Maintenance	197,825	218,822	196,793	182,999	181,583	202,928	219,734	264,293	182,534	191,544
Pupil Transportation	136,221	92,071	167,341	168,315	137,022	119,770	153,123	175,004	193,559	155,192
Employee Benefits	585,676	657,314	777,762	782,774	895,971	942,684	1,018,565	857,291	985,762	968,119
Capital Outlay	50,475	28,064	739	59,740	37,080	739	226,869	229,468	139,502	105,473
Total Expenditures	2,106,132	2,149,742	2,311,673	2,556,235	2,602,034	2,658,564	3,069,808	2,950,152	2,963,207	3,084,683
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	140,629	84,321	47,232	(29,634)	321,979	110,380	4,140	333,021	126,296	359,677
Other Financing Sources (Uses)										
Transfers Out	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)		
Total Other Financing Sources (Uses)	(7,265)	(11,000)	(19,678)	(9,000)	(25,023)	(23,675)	(11,818)	(6,842)		
Net Change in Fund Balances	\$ 133,364	\$ 73,321	\$ 27,554	\$ (38,634)	\$ 296,956	\$ 86,705	\$ (7,678)	\$ 326,179	\$ 126,296	\$ 359,677
Debt Service as a Percentage of										
Noncapital Expenditures	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: ACFR Schedule B-2

STOW CREEK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transport-</u> <u>ation</u>	<u>Prior</u> <u>Year</u> <u>Revenue</u>	<u>Cell</u> <u>Tower</u> <u>Rent</u>	<u>ERATE</u>	<u>Prior</u> <u>Year</u> <u>Refunds</u>	<u>Misc.</u>	<u>Total</u>
2025	\$ 2,802	\$	\$ 83,825	\$	\$ 23,890	\$ 6,975	\$ 781	\$ 653	\$ 118,926
2024	657	6,050	108,075		23,460		2,558	17,747	158,547
2023			127,424		23,000	6,975	2,501	6,385	166,285
2022			38,861	(373)	2,501	6,975		20,236	68,200
2021	1,291		49,255		24,659		2,097	9,313	86,615
2020	1,150		39,910		21,950			326,681	389,691
2019	1,573		41,078		23,244			29,433	95,328
2018	1,280	3,200			33,136	17,837		14,703	70,156
2017	981	6,720	6,710		14,624		3,522	3,619	36,176
2016	1,184	12,960	37,250		21,271		15,608	2,874	91,147

Source: District Records

STOW CREEK TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2025	\$ 1,178,300	\$ 66,125,800	\$ 33,560,500	\$ 4,300,800	\$ 4,768,000	\$ 109,933,400	\$ 471,749	\$ 110,405,149	\$ 1.751	\$ 125,166,116
2024	1,318,100	65,137,700	33,500,500	4,309,500	4,738,200	109,004,000	446,426	109,450,426	1.697	131,124,744
2023	1,391,600	64,920,300	33,082,900	4,321,200	4,588,200	108,304,200	413,313	108,717,513	1.876	141,852,259
2022	1,261,100	65,138,300	32,330,300	4,277,100	4,618,600	107,625,400	459,165	108,084,565	1.840	123,344,160
2021	1,303,100	64,898,100	32,040,700	4,460,300	4,630,100	107,332,300	423,274	107,755,574	1.734	119,497,105
2020	1,215,600	64,891,300	32,081,000	4,479,600	4,630,100	107,297,600	405,263	107,702,863	1.694	113,602,541
2019	1,328,500	64,634,300	32,605,600	4,489,900	4,165,700	107,224,000	405,263	107,629,263	1.647	117,338,586
2018	1,289,000	65,098,500	31,826,300	4,561,700	4,291,400	107,066,900	440,610	107,507,510	1.694	118,279,828
2017	1,428,400	64,871,200	32,077,800	4,373,700	3,850,100	106,601,200	442,943	107,044,143	1.559	106,134,209
2016	1,251,700	64,025,500	32,998,600	4,396,700	3,850,100	106,522,600	444,192	106,966,792	1.595	102,811,119

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

R Revaluation

STOW CREEK TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Stow Creek Township and Regional Boards of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total District	Stow Creek Township	Cumberland County	Total
2025	\$ 1.751	\$ 0.000	\$ 1.751	\$ 0.211	\$ 1.033	\$ 2.995
2024	1.697	0.000	1.697	0.271	1.092	3.060
2023	1.876	0.000	1.876	0.210	1.363	3.449
2022	1.840	0.000	1.840	0.210	1.338	3.388
2021	1.734	0.000	1.734	0.210	1.384	3.328
2020	1.694	0.000	1.694	0.210	1.322	3.226
2019	1.647	0.000	1.647	0.209	1.320	3.176
2018	1.694	0.000	1.694	0.208	1.308	3.210
2017	1.559	0.000	1.559	0.179	1.164	2.902
2016	1.595	0.000	1.595	0.178	1.089	2.862

Source: District Records and Municipal Tax Collector

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

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

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	<u>2025</u>		<u>2016</u>	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer #1	\$		\$ 953,600	0.89%
Taxpayer #2	827,800	0.75%	747,600	0.70%
Taxpayer #3	655,500	0.59%	655,500	0.61%
Taxpayer #4	560,200	0.51%	557,800	0.52%
Taxpayer #5	559,500	0.51%	555,700	0.52%
Taxpayer #6	555,100	0.50%	542,500	0.51%
Taxpayer #7	504,100	0.46%	500,800	0.47%
Diamond Materials. LLC	1,028,000	0.93%		
Taxpayer #8			461,900	0.43%
Farm-Rite			878,600	0.82%
Verizon	471,749	0.43%	444,192	0.42%
REM Farms, LLC	520,000	0.47%		
AAK Realty LLC	716,200	0.65%		
Total	\$ 6,398,149	5.80%	\$ 6,298,192	5.89%

Source: District ACFR & Municipal Tax Assessor

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2025	\$ 1,393,733	\$ 1,393,733	100%	\$
2024	1,366,405	1,366,405	100%	
2023	1,326,975	1,326,975	100%	
2022	1,276,797	1,276,797	100%	
2021	1,215,796	1,215,796	100%	
2020	1,158,624	1,158,624	100%	
2019	1,100,575	1,100,575	100%	
2018	1,078,995	869,467	81%	209,528
2017	1,044,065	1,044,065	100%	
2016	1,030,397	1,030,397	100%	

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

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

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

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

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

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Stow Creek	\$ 10,000	100%	\$ 10,000
Other Debt			
County of Cumberland - Township's share	67,615,528	1.137%	768,583
Cumberland Regional School Debt	1,197,000	11.671%	139,706
Subtotal, Overlapping Debt			<u>918,289</u>
Stow Creek Township School District Direct Debt			
Total Direct and Overlapping Debt			<u><u>\$ 918,289</u></u>

Sources: Stow Creek Township Finance Officer and Cumberland County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Stow Creek. 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.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis	
	2024	\$ 124,107,936
	2023	130,282,930
	2022	140,963,196
		<hr/>
	[A]	\$ 395,354,062
		<hr/>
Average Equalized Valuation of Taxable Property	[A/3]	\$ 131,784,687
Debt Limit (3% of Average Equalization Value)	[B]	3,953,541 a
Net Bonded School Debt	[C]	<hr/>
Legal Debt Margin	[B-C]	\$ 3,953,541
		<hr/>

Fiscal Year,

	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>		<u>2023</u>		<u>2024</u>		<u>2025</u>
Debt Limit	\$ 3,216,449	\$	3,136,062	\$	3,262,189	\$	3,409,880	\$	3,484,566	\$	3,501,498	\$	3,548,408	\$	3,822,794	\$	3,931,039	\$	3,953,541
Total Net Debt Applicable to Limit																			
Legal Debt Margin	\$ 3,216,449	\$	3,136,062	\$	3,262,189	\$	3,409,880	\$	3,484,566	\$	3,501,498	\$	3,548,408	\$	3,822,794	\$	3,822,794	\$	3,953,541

Total Net Debt Applicable to the Limit
 as a Percentage of Debt Limit

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

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income (thousands of dollars) ⁽²⁾</u>	<u>Per Capita Personal Income ⁽³⁾</u>	<u>Unemployment Rate ⁽⁴⁾</u>
2025 *	1,355	\$ 61,537,966	\$ 45,401	4.75%
2024	1,342	58,925,842	45,860	4.36%
2023	1,317	61,007,510	46,323	4.00%
2022	1,311	61,343,001	46,791	3.70%
2021	1,326	63,063,234	47,559	6.20%
2020	1,359	61,831,782	45,498	7.40%
2019	1,365	56,411,355	41,327	3.20%
2018	1,379	54,398,792	39,448	4.70%
2017	1,389	53,272,317	38,353	5.60%
2016	1,404	52,088,400	37,100	6.70%

* Estimate

Source:

- ¹ Population information provided by the NJ Dept of Labor and Workforce Development
- ² Personal income
- ³ Per Capita
- ⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

STOW CREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer*	2025		2016	
	Employees*	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health Network	3,874	2.49%	2,894	1.89%
F & S Produce/Pipcp Transportation	1,201	0.77%	600	0.39%
Wal-Mart	791	0.51%	910	0.59%
Wawa	777	0.50%	552	0.36%
Durand Glass Manufacturing Co./ARC Internatio	580	0.37%	1,000	0.65%
ShopRite	751	0.48%	767	0.50%
Sheppard Bus Service	575	0.37%	650	0.42%
Elwyn New Jersey	236	0.15%	448	0.29%
AJM Packaging	481	0.31%		
Northeast Precasg	436	0.28%		
Ardagh Group	366	0.24%		
Seabrook Brothers & Sons, Inc	271	0.17%	575	0.38%
Americold	300	0.19%		
Complete Care	305	0.20%		
South State, Inc	345	0.22%		
Corning Glass	245	0.16%		
Nipro PharmaPackaging Americas Corp	274	0.18%		
Gerresheimer Glass	174	0.11%		
Omni Baking			500	0.33%
	11,982	7.70%	8,896	5.81%

*Cumberland County

** Number of employees will vary seasonally.

Source: Cumberland County

STOW CREEK TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Instruction										
Regular	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Special education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other special Education										
Vocational										
Other Instruction	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student & Instruction Related Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administrative Services										
School Administrative Services	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Other Administrative Services										
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pupil Transportation	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other Support Services										
Contracted Service - Speech	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Special Schools										
Food Service - Contracted										
Totals	19.1									

Source: District Personnel Records

STOW CREEK TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	112	2,036,751	18,185	-1.13%	11.7	12.4 to 1	111.7	107.3	-0.09%	96.06%
2017	117	2,055,657	17,570	-3.38%	11.7	12.4 to 1	117.5	112.3	5.19%	95.57%
2018	110	2,310,934	21,008	19.57%	11.7	9.4 to 1	110.2	108.0	-6.21%	98.00%
2019	116	2,496,495	21,522	2.44%	11.7	12.4 to 1	111.0	106.8	0.73%	96.22%
2020	113	2,564,954	22,699	5.47%	11.7	9.7 to 1	126.9	123.3	15.15%	97.16%
2021	121	2,657,825	21,965	-3.23%	11.7	10.3 to 1	130.9	127.4	18.78%	97.33%
2022	123	2,842,939	15,251	-30.57%	11.7	10.5 to 1	122.9	114.9	4.60%	93.46%
2023	124	2,092,861	14,216	-6.79%	11.7	10.5 to 1	123.2	115.3	11.80%	93.59%
2024	137	1,977,445	17,363	22.14%	11.7	10.5 to 1	134.2	127.4	20.90%	94.93%
2025	138	2,116,564	15,443	-11.06%	11.7	10.5 to 1	136.9	131.3	7.88%	95.91%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>District Building</u>										
<u>Elementary</u>										
Stow Creek Township School (19..)										
Square Feet	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461	20,461
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	112	117	110	116	113	111	123	124	137	138

Number of Schools at June 30, 2025
Elementary = 1

Source: District records, ASSA

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

STOW CREEK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Project #</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Stow Creek Township School		\$ 76,611	\$ 96,481	\$ 100,661	\$ 56,056	\$ 43,469	\$ 31,385	\$ 31,548	\$ 14,172	\$ 43,939	\$ 30,206
Total School Facilities		<u>76,611</u>	<u>96,481</u>	<u>100,661</u>	<u>43,469</u>	<u>31,385</u>	<u>31,548</u>	<u>14,172</u>	<u>43,939</u>	<u>30,206</u>	<u>33,835</u>
Other Facilities											
Grand Total		<u>\$ 76,611</u>	<u>\$ 96,481</u>	<u>\$ 100,661</u>	<u>\$ 43,469</u>	<u>\$ 31,385</u>	<u>\$ 31,548</u>	<u>\$ 14,172</u>	<u>\$ 43,939</u>	<u>\$ 30,206</u>	<u>\$ 33,835</u>

STOW CREEK TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
Gloucester County Boards Association Insurance Group	School Package Policy		
	Blanket Real and Personal Property	\$ 3,133,770	\$ 1,000
	Extra Expense	50,000,000	1,000
	Valuable Papers & Records	10,000,000	1,000
	Flood	10,000,000	500,000
	Earthquake	50,000,000	
	Demolition and Increased Cost of Construction	1,000,000	
	Electronic Data Processing	150,000	1,000
	Boiler & Machinery	100,000,000	5,000
	Commercial General Liability:		
	Aggregate	17,000,000	1,000
	Commercial Automobile Liability	16,000,000	1,000
	Professional Liability Errors & Omission	6,000,000	5,000
	Professional Liability	100,000/300,000	5,000
	Public Employee Dishonesty - Per Loss & Faithful Performance	25,000	500
	Money and Securities	5,000	500
	Loss of Income	10,000	
	Workers Compensation		
	Each Accident	2,000,000	
	Disease per Employee	2,000,000	
	Disease Policy Limit	2,000,000	
Markel Insurance Company	Student Accident Coverage		
	Accidental Death Principal Sum	10,000	
	Medical Expense	1,000,000	
	Accidental Dismemberment	50,000	
	Accident Medical Expense Benefit	1,000,000	
American International Company - AIG	Student Accident Coverage		
	Catastrophic Cash Benefit	1,000,000	
C.N.A Surety Surety Bonds	Treasurer of School Monies	130,000	
	Board Secretary/Business Administrat	2,000	

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTAND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, 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 each major fund of the Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education of the Stow Creek Township School District's basic financial statements, and have issued our report thereon dated November 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Stow Creek Township Board of Education's internal control over financial reporting (internal control) as a basis for designing 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 Stow Creek Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stow Creek Township Board of Education's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stow Creek Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and the 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

November 18, 2025

NIGHTLINGER, COLAVITA & VOLPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE NEW JERSEY OMB CIRCULAR 15-08

The Honorable President and
Members of the Board of Education
Stow Creek Township School District
County of Cumberland, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified 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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's major state programs for the year ended June 30, 2025. The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 25-12. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's 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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB 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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Stow Creek Township School District, in the County of Cumberland, State of New Jersey'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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 18, 2025

**TOWNSHIP OF STOW CREEK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2024			Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustment	Balance at June 30, 2025										
							Accounts Receivable	Unearned Revenue	Cash Received					Accounts Receivable	Unearned Revenue	Due to Grantor								
U.S. Department of Education General Fund														\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: E.S.E.A.																								
Title I, Part A	84.010	S010A240030	ESEA 5070-24	\$ 28,265	7/1/23	9/30/24	\$ (21,168)	\$	\$ 21,168	\$	\$	\$	\$	\$	\$	\$								
Title I, Part A	84.010	S010A250030	ESEA 5070-25	25,084	7/1/24	9/30/25			4,537	(23,559)	(23,559)			(19,022)										
Title II, A	84.367A	S367A250029	ESEA 5070-25	3,228	7/1/24	9/30/25				(1,586)	(1,586)			(1,586)										
Title IV, A	84.424	S424A240031	ESEA 5070-24	10,000	7/1/23	9/30/24	(1,050)		1,050															
Title IV, A	84.424	S424A250031	ESEA 5070-25	10,000	7/1/24	9/30/25				(12,155)	(12,155)			(12,155)										
REAP	84.358A	S358A222503	S358A202503	16,263	7/1/23	9/30/24			5,055	(5,974)	(5,974)			(919)										
REAP	84.358A	S358A222503	S358A202503	17,517	7/1/24	9/30/25			7,362	(17,212)	(17,212)			(9,850)										
IDEA Cluster:																								
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	IDEA507024	57,071	7/1/23	9/30/24	(35,721)		33,201			2,520												
I.D.E.A. Part B, Basic Regular	84.027A	H027A250100	IDEA507025	58,134	7/1/24	9/30/25			16,259	(48,649)	(48,649)			(32,390)										
I.D.E.A. Part B, Pre-School	84.173	H173A250114	IDEA507025	1,193	7/1/24	9/30/25			1,193	(1,193)	(1,193)													
Education Stabilization Fund: ARP:																								
ARP ESSER III	84.425U	S425D240027	ARP-5070-24	233,183	3/13/20	9/30/24	(32,016)		49,318	(17,302)	(17,302)													
ARP Accel Learning	84.425U	S425D240027	ARP-5070-24	50,000	3/13/20	9/30/24	(36,759)		49,284	(12,525)	(12,525)													
ARP Summer	84.425U	S425D240027	ARP-5070-24	40,000	3/13/20	9/30/24		960	25,451	(26,411)	(26,411)													
ARP Beyond	84.425U	S425D240027	ARP-5070-24	40,000	3/13/20	9/30/24	(16,269)		36,836	(20,567)	(20,567)													
ARP Mental Health (Emergency)	84.425U	S425D240027	ARP-5070-24	45,000	3/13/20	9/30/24	(439)		9,739	(9,300)	(9,300)													
Total Special Revenue Fund							(143,422)	960	260,453	(196,433)	(196,433)	2,520		(75,922)										
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:																								
Non-Cash Assistance:																								
Food Distribution Program	10.565	Unknown	NA	10,009	7/1/23	6/30/24		11		(11)	(11)													
Food Distribution Program	10.565	Unknown	NA	12,065	7/1/24	6/30/25			12,065	(10,685)	(10,685)			1,380										
Child Nutrition Cluster:																								
Cash Assistance:																								
Local Food for Schools	10.185	Unknown	AMS-10185-CPLFS000-22	416	7/1/24	6/30/25			416	(416)														
Summer-EBT Administrative Cost	10.646	202424N180341	NA	322	7/1/23	6/30/24	(322)		322															
Summer-EBT Administrative Cost	10.646	202525N180341	NA	301	7/1/24	6/30/25				(301)	(301)			(301)										
National School Breakfast Program	10.553	241NJ304N1099	NA	4,117	7/1/23	6/30/24	(220)		220															
National School Breakfast Program	10.553	251NJ304N1099	NA	4,747	7/1/24	6/30/25			4,335	(4,747)	(4,747)			(412)										
National School Lunch Program	10.555	241NJ304N1099	NA	18,050	7/1/23	6/30/24	(1,035)		1,035															
National School Lunch Program	10.555	251NJ304N1099	NA	20,171	7/1/24	6/30/25			18,636	(20,171)	(20,171)			(1,535)										
Total Enterprise Fund							(1,577)	11	37,029	(36,331)	(35,915)			(2,248)	1,380									
Total Federal Financial Awards							\$ (144,999)	\$ 971	\$ 297,482	\$ (232,764)	\$ (232,348)	\$ 2,520	\$ (78,170)	\$ 1,380	\$									

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance
These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

TOWNSHIP OF STOW CREEK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2024					Repaymt. of Prior Year Balances	Balances at June 30, 2025			MEMO		
					(Accounts Receivable)/	Unearned Revenue	Due to Grantor	Carry Over	Cash Received		Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund:																
Equalization Aid	24-495-034-5120-078	294,671	7/1/23	6/30/24	\$ (26,143)	\$	\$	\$	26,143	\$	\$	\$	\$	\$	\$	\$
Equalization Aid	25-495-034-5120-078	546,539	7/1/24	6/30/25					503,000	(546,539)		(43,539)		*	(43,539)	(546,539)
Transportation Aid	24-495-034-5120-014	55,120	7/1/23	6/30/24	(4,890)				4,890							
Transportation Aid	25-495-034-5120-014	102,421	7/1/24	6/30/25					94,262	(102,421)		(8,159)		*	(8,159)	(102,421)
Special Education Categorical Aid	24-495-034-5120-089	88,149	7/1/23	6/30/24	(7,820)				7,820							
Special Education Categorical Aid	25-495-034-5120-089	131,988	7/1/24	6/30/25					121,474	(131,988)		(10,514)		*	(10,514)	(131,988)
Security Aid	24-495-034-5120-084	17,125	7/1/23	6/30/24	(1,519)				1,519							
Security Aid	25-495-034-5120-084	28,467	7/1/24	6/30/25					26,199	(28,467)		(2,268)		*	(2,268)	(28,467)
Additional Non Public School Trans Costs	24-495-034-5120-014	2,730	7/1/23	6/30/24	(2,730)				2,730							
Additional Non Public School Trans Costs	25-495-034-5120-473	3,736	7/1/24	6/30/25						(3,736)		(3,736)		*		(3,736)
Extraordinary Aid	24-495-034-5120-473	31,958	7/1/23	6/30/24	(31,958)				31,958							
Extraordinary Aid	25-495-034-5120-473	18,409	7/1/24	6/30/25						(18,409)		(18,409)		*		(18,409)
Menstrual Reimbursement Aid	N/A	268	7/1/24	6/30/25						(268)		(268)				(268)
Reimbursed TPAF Social Security Contrib.	24-495-034-5094-003	71,126	7/1/23	6/30/24	(3,626)				3,626							
Reimbursed TPAF Social Security Contrib.	25-495-034-5094-003	77,904	7/1/24	6/30/25					74,151	(77,904)		(3,753)		*		(77,904)
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	330,916	7/1/24	6/30/25					330,916	(330,916)				*		(330,916)
On-Behalf TPAF Post Retirement Medical	25-495-034-5094-001	96,694	7/1/24	6/30/25					96,694	(96,694)				*		(96,694)
On-Behalf TPAF Long-Term Disability	25-495-034-5094-004	94	7/1/24	6/30/25					94	(94)				*		(94)
Total General Fund					(78,686)				1,325,476	(1,337,436)		(90,646)			(64,480)	(1,337,436)
Special Revenue Fund:																
Preschool Education Expansion Aid	24-495-034-5120-086	304,627	7/1/23	6/30/24	(19,663)	5,556		(5,556)	19,663							
Preschool Education Expansion Aid	25-495-034-5120-086	351,728	7/1/24	6/30/25				5,556	330,923	(334,712)		(20,805)	22,572	*		(334,712)
N.J. Nonpublic Aid:																
Nursing	24-100-034-5120-070	11,640	7/1/23	6/30/24							(9,195)					
Nursing	25-100-034-5120-070	13,000	7/1/24	6/30/25					13,000	(13,000)				*		(13,000)
Textbooks	24-100-034-5120-064	5,608	7/1/23	6/30/24							(90)					
Textbooks	25-100-034-5120-064	5,114	7/1/24	6/30/25					5,114	(5,114)				*		(5,114)
Technology	24-100-034-5120-373	4,753	7/1/23	6/30/24							(277)					
Technology	25-100-034-5120-373	4,900	7/1/24	6/30/25					4,900	(4,838)				62 *		(4,838)
Security	24-100-034-5120-509	19,885	7/1/23	6/30/24							(53)					
Security	25-100-034-5120-509	20,500	7/1/24	6/30/25					20,500	(19,709)				791 *		(19,709)
Total Special Revenue Fund					(19,663)	5,556	9,615		394,100	(377,373)	(9,615)	(20,805)	22,572		853	(377,373)
State Department of Agriculture																
Enterprise Fund:																
State School Breakfast Program	24-100-010-3350-023	208	7/1/23	6/30/24	(11)				11							
State School Breakfast Program	25-100-010-3350-023	55	7/1/24	6/30/25					48	(55)		(7)		*		(55)
State School Lunch Program	24-100-010-3350-023	718	7/1/23	6/30/24	(53)				53							
State School Lunch Program	25-100-010-3350-023	717	7/1/24	6/30/25					664	(717)		(53)		*		(717)
Summer-EBT Administrative Cost	N/A	321	7/1/23	6/30/24	(321)				321					*		
Summer-EBT Administrative Cost	N/A	301	7/1/24	6/30/25						(301)		(301)				(301)
Total Enterprise Fund					(385)				1,097	(1,073)		(361)				(772)
Total State Financial Assistance					\$ (98,734)	\$ 5,556	\$ 9,615		\$ 1,720,673	\$ (1,715,882)	\$ (9,615)	\$ (111,812)	\$ 22,572	\$ 853	\$ (64,480)	\$ (1,715,581)
Less: On-Behalf TPAF Pension System Contributions																
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	330,916	7/1/24	6/30/25					\$ 330,916	\$ (330,916)						
On-Behalf TPAF Post Retirement Medical	25-495-034-5094-001	96,694	7/1/24	6/30/25					96,694	(96,694)						
On-Behalf TPAF Long-Term Disability Medical	25-495-034-5094-004	94	7/1/24	6/30/25					94	(94)						
Total State Financial Assistance - Major Program Determination									\$ 1,292,969	\$ (1,288,178)						

See accompanying notes to schedules of financial assistance

STOW CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Stow Creek Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as 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 awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey Treasury Circular OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general 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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund, where applicable, also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$24,108) for the general fund and \$43,710 for the special revenue fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

STOW CREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2025

(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	1,313,328	1,313,328
Special Revenue Fund	192,848	299,777	492,625
Food Service Fund	<u>36,331</u>	<u>1,073</u>	<u>37,404</u>
Total Financial Assistance	\$ <u>229,179</u>	<u>1,614,178</u>	<u>1,843,357</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: FEDERAL AND STATE LOANS OUTSTANDING

The Stow Creek School District had no federal or state loan balances outstanding at June 30, 2025.

NOTE 6: OTHER

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

NOTE 7: MAJOR PROGRAM

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

NOTE 8: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 9: ADJUSTMENT

There was one adjustment on Schedule A, Exhibit K-3 of \$2,520 and no adjustments on Schedule B, Exhibit K-4.

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards **N/A**

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ no

2) Significant deficiencies identified? _____ Yes _____ none reported

Type of auditor's report issued on compliance for major programs: **N/A**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? _____ yes _____ no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
----------------	----------------	------------------------------------

N/A

Dollar threshold used to distinguish between type A and type B programs: **N/A**

Auditee qualified as low-risk auditee? _____ yes _____ no

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Treasury Circular Letter 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
25-495-034-5120-078	Equalization Aid
25-495-034-5120-089	Special Education Categorical Aid
25-495-034-5120-084	Security Aid

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STOW CREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(continued)

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

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

FEDERAL AWARDS

Finding: N/A

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**STOW CREEK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED
COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.