

# **Annual Comprehensive Financial Report**

**of the**

**Franklin Township School District**

**County of Somerset**

**Somerset, New Jersey**

**For the Fiscal Year Ended June 30, 2024**

**Prepared by**

**Franklin Township School District  
Business Office**



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## INTRODUCTORY SECTION

# **Franklin Township Board of Education**

2301 Route 27  
Somerset NJ 08873

**STEPHEN FRIED**  
**BUSINESS ADMINISTRATOR**

**Telephone: 732-873-2400**  
**Fax: 732-873-8416**

January 17, 2025

Honorable President and  
Members of the Board of Education  
Franklin Township School District  
Somerset County  
Somerset, New Jersey

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Franklin Township Public School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Franklin Township Public School District. 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, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections as follows:

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.



Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

The Franklin Township Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The Franklin Township School District is a Pre-K-12 educational system, comprising then (10) schools, approximately 7,500 students, and approximately 1,300 staff. In addition, the budget supports approximately 1,250 Charter School Students. The District provides transportation services to 156 non-public students and aid-in-lieu payments to 787 non-public students.

The school system provides a comprehensive educational program including: Advanced Placement courses, academic intervention services, bilingual instruction in Spanish, English as a second language, differentiated instruction and special education.

Extended day programs are offered at all schools and include academic enrichment, tutorial support, performing arts groups, and recreational activities. At the secondary level an extensive interscholastic athletic program for individual and team sports and a wide variety of co-curricular activities including a performing arts program composed of an orchestra, marching, concert, jazz bands, guitar ensemble, chorus, madrigal singers, art exhibits and theatrical productions.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for

children with special needs. The School District's enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below.

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>% CHANGE</u>
2023-2024	8,043	-0.50%
2022-2023	8,088	1.88%
2021-2022	7,939	0.04%
2020-2021	7,936	-0.51%
2019-2020	7,977	2.24%
2018-2019	7,802	7.72%
2017-2018	7,243	-7.37%
2016-2017	7,819	3.43%
2015-2016	7,560	-2.85%
2014-2015	7,782	-4.37%

### **ECONOMIC CONDITION AND OUTLOOK**

Franklin Township has experienced a period of growth and expansion. The District continues to increase Pre-Kindergarten enrollment by expanding its four-year-old program and initiating a three-year-old program. These programs are mostly funded through state grants

The District engaged the services of a consultant (Fall 2022) to conduct an enrollment projection. The consultant's report to the Board of Education will be kept on file with the District. We are closely monitoring enrollment.

### **MAJOR INITIATIVES**

The district is working closely with the Municipality to facilitate the use of a municipal building to house a Pre-K center. In addition, the District and Municipality have formed a partnership with Zufall Health Services to open a health center for students and community members. Finally, the two governmental agencies have joined together to open a health center for staff members and their dependents.

### **INTERNAL ACCOUNTING CONTROLS**

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

### **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital

projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

### **ACCOUNTING SYSTEM AND REPORTS**

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The School District's accounting system is organized on the basis of funds. The funds are explained in "Notes to Financial Statements", Note 1.

### **FINANCIAL POLICIES**

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

### **OTHER INFORMATION**

#### ***INDEPENDENT AUDIT***

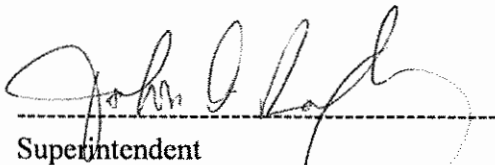
State statutes require an annual audit by independent certified public accountants. The accounting firm of Suplee Clooney and Company, Certified Public Accountants, was

appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

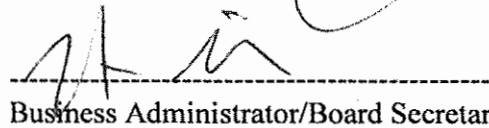
### **ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Superintendent



Business Administrator/Board Secretary

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2024**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Nancy Lacorte	2026
Ardaman Singh, President	2026
Jimmie Parker	2027
Laurie Merris	2025
Dr. Dennis Hopkins	2025
Sami Shaban, Vice President	2025
Walter Jackson	2026
Erika Inocencio	2027
William Grippo	2027
<b>Other Officials</b>	
Dr. John Ravally, Superintendent	
Stephen Fried, School Business Administrator	
Brian Bonanno, Asst. Supt. For Business/Board Secretary	
John Calavano, Treasurer	

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

SSP Architects  
50 Division Street, Suite 503  
Somerville, NJ 08876

**AUDIT FIRM**

Suplee, Clooney & Company, LLC  
308 East Broad Street  
Westfield, NJ 07090

**ATTORNEY**

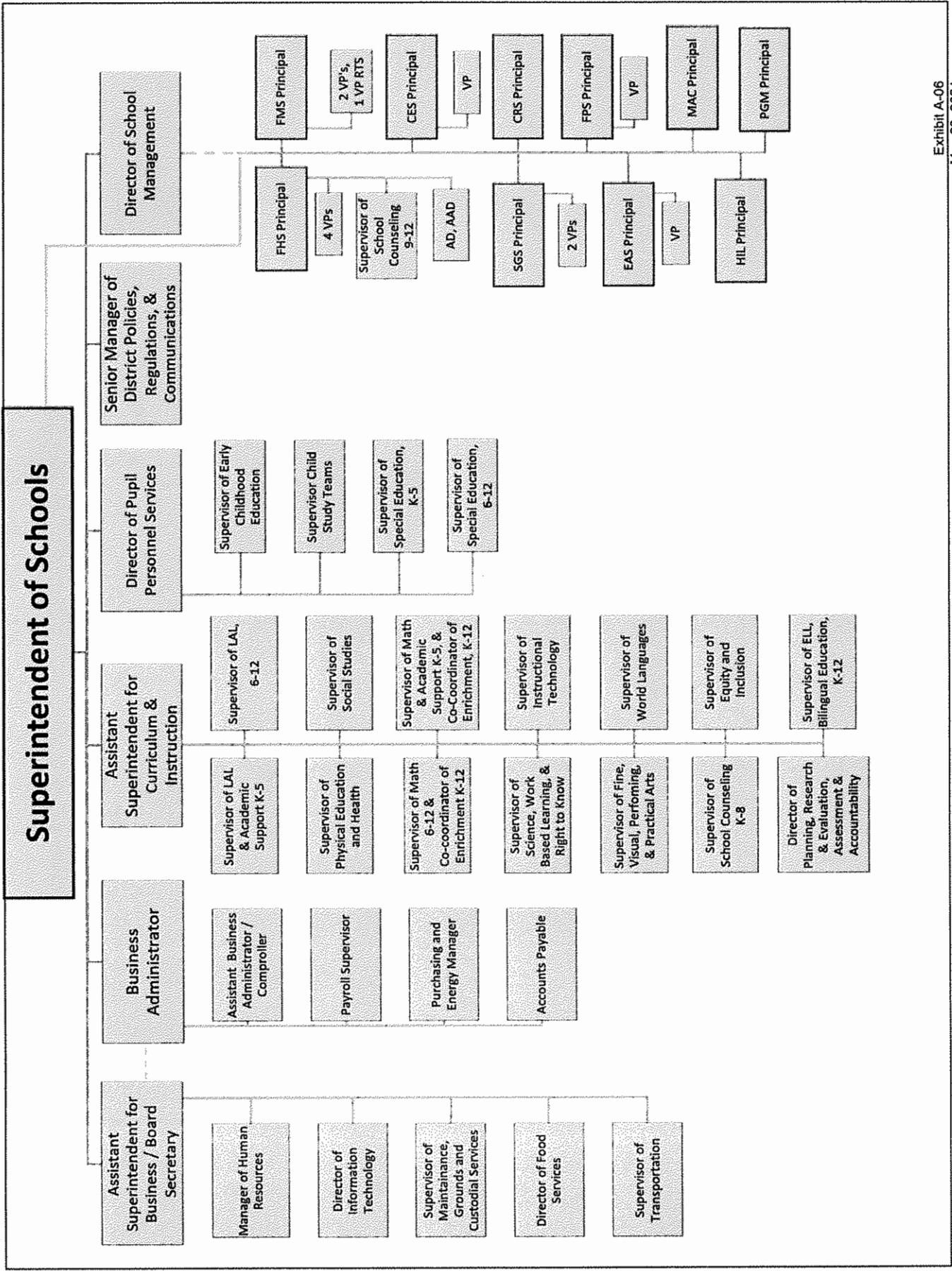
Parker McCay, P.A.  
Building Four East, Suite 102A  
1009 Lenox Drive  
Lawrenceville, NJ 08648

Capehard & Scatchard, P.A.  
8000 Midlantic Dr.  
Mt. Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

First Bank  
225 Demott Lane  
Somerset, NJ 08873

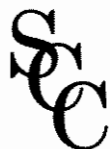
TD Bank  
3221 Route 27  
Franklin Park, NJ 08823



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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Franklin Township School District  
County of Somerset  
Somerset, New Jersey

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Franklin Township School District, in the County of Somerset, State of New Jersey (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## SUPLEE, CLOONEY & COMPANY LLC

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

## SUPLEE, CLOONEY & COMPANY LLC

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are 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 District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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.

## SUPLEE, CLOONEY & COMPANY LLC

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.

### ***Prior Period Financial Statements***

The financial statements of the District as of June 30, 2023, were audited by other auditors whose report dated January 31, 2024, expressed an unmodified opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 17, 2025

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

The Management's Discussion and Analysis of the Franklin Township School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2024. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2023-2024) and the prior fiscal year (2022-2023) is required to be presented in the MD&A.

**Financial Highlights**

- Revenue from governmental activities accounted for \$229,418,297.71 of school district revenue. Revenue from business-type activities accounted for \$4,617,962.34 of school district revenue.
- The District's total net position is \$35,311,356.98.

**Overview of the Financial Statements**

This Annual Comprehensive Financial Report ("ACFR") 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, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.



**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

**District-wide Financial Statements**

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

The District-wide Financial Statements report the District's net positions and how they have changed. Net positions, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains two financial funds:

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Financial Analysis of the District as a Whole**

The District's combined net positions have increased from the 2022-2023 fiscal year. The net positions from governmental activities increased \$2,419,246.49. Net positions from business-type activities increased \$37,475.49. Table A-1 below reflects the District's net positions as a whole. Table A-2 reflects the changes in net positions from operating results.

**Table A-1  
Condensed Statement of Net Positions**

	Governmental Activities		Business-Type Activities		Total School District		Percent
		(As restated)				(As restated)	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	Change
Current and							
Other Assets	\$33,824,380	\$34,500,810	\$4,923,722	\$5,058,639	\$38,748,103	\$39,559,449	-2.1%
Capital Assets	116,280,088	119,247,684	437,614	361,727	116,717,702	119,609,411	-2.4%
Total Assets	150,104,468	153,748,494	5,361,336	5,420,366	155,465,805	159,168,860	-2.3%
Deferred Outflows							
Refunding Bonds	2,283,901	2,491,528			2,283,901	2,491,528	-8.3%
Pension Related	7,515,468	5,944,777	95,903	36,785	7,611,371	5,981,562	27.2%
Total Deferred Outflows	9,799,368	8,436,305	95,903	36,785	9,895,271	8,473,090	16.8%
Long-Term Liabilities	103,774,036	107,740,329			103,774,036	107,740,329	-3.7%
Short-Term Liabilities	19,902,935	16,596,390	491,206	477,033	20,394,141	17,073,423	19.4%
Total Liabilities	123,676,971	124,336,719	491,206	477,033	124,168,177	124,813,752	-0.5%
Deferred Inflows	5,807,435	9,847,896	74,107	125,667	5,881,542	9,973,563	-41.0%
Total Deferred Inflows	5,807,435	9,847,896	74,107	125,667	5,881,542	9,973,563	-41.0%
Net Positions:							
Net Investment In Capital Assets	53,673,370	49,140,754	437,614	361,727	54,110,984	49,502,481	9.3%
Restricted	13,140,032	17,942,746			13,140,032	17,942,746	-26.8%
Unrestricted (Deficit)	(36,393,972)	(39,083,316)	4,454,312	4,492,724	(31,939,659)	(34,590,592)	-7.7%
Total Net Positions	\$30,419,430	\$28,000,184	\$4,891,926	\$4,854,451	\$35,311,357	\$32,854,635	7.5%

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Table A-2  
Changes in Net Positions from Operating Results**

	<u>FY 2024</u>	<u>FY 2023</u>
Revenue:		
Program Revenue:		
Charges for Services	\$1,572,217.50	\$930,072.00
Operating Grants and Contributions	40,411,670.89	42,229,101.00
General Revenue:		
Property Taxes	164,387,049.00	158,349,642.00
Federal and State Aid	25,269,563.03	17,833,920.00
Other	<u>2,395,759.63</u>	<u>2,097,005.00</u>
Total Revenue	<u>234,036,260.05</u>	<u>221,439,740.00</u>
Expenses/Indirect Allocations:		
Instruction	135,212,101.06	89,825,122.00
Student & Instructional Related Services	37,027,598.79	30,836,532.00
Administrative and Business	16,697,391.06	8,822,207.00
Maintenance & Operations	17,646,929.77	12,370,245.00
Transportation	19,344,019.24	16,337,371.00
Other	<u>5,651,498.14</u>	<u>54,345,465.00</u>
Total Expenses	<u>231,579,538.06</u>	<u>212,536,942.00</u>
Increase/(Decrease) in Net Positions	<u>\$2,456,721.99</u>	<u>\$8,902,798.00</u>

**Sources of Revenue for Fiscal Year 2024**

The District's total revenue for the 2023-2024 school year was \$234,036,260.05 as reflected in Table A-3 below. Property taxes accounted for 70.2 percent of the total revenue with the other 29.8 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Table A-3  
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2024</u>		<u>FY 2023</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$164,387,049.00	70.2%	\$158,349,642.00	71.5%
Operating Grants & Contributions	40,411,670.89	17.3%	42,229,101.00	19.1%
Other Sources	2,395,759.63	1.0%	2,097,005.00	0.9%
Federal & State Aid Unrestricted	25,269,563.03	10.8%	17,833,920.00	8.1%
Charges for Services	1,572,217.50	0.7%	930,072.00	0.4%
	<u>\$234,036,260.05</u>	<u>100.0%</u>	<u>\$221,439,740.00</u>	<u>100.0%</u>

**Expenses & Indirect Costs Allocated for the Fiscal Year 2024**

The total expenditures for the 2023-2024 fiscal year for all programs and services were \$231,579,538.06. Table A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through eight, which accounts for 74.4 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds.

**Table A-4  
Expenses & Indirect Costs Allocated**

<u>Expense Category</u>	<u>FY 2024</u>		<u>FY 2023</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction Student/Instruct Related Services	\$135,212,101.06	58.4%	\$89,825,122.00	42.3%
Administrative and Business	37,027,598.79	16.0%	30,836,532.00	14.5%
Maintenance & Operations	16,697,391.06	7.2%	8,822,207.00	4.2%
Transportation	17,646,929.77	7.6%	12,370,245.00	5.8%
Other	19,344,019.24	8.4%	16,337,371.00	7.7%
	<u>5,651,498.14</u>	<u>2.4%</u>	<u>54,345,465.00</u>	<u>25.6%</u>
	<u>\$231,579,538.06</u>	<u>100.0%</u>	<u>\$212,536,942.00</u>	<u>100.0%</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

Table A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table A-5  
Net Cost of Activities**

<u>Function/Program</u>	<u>FY 2024</u>		<u>FY 2023</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$110,440,234.72	58.2%	\$68,524,520.00	769.7%
Student/Instruct Related Services	25,717,660.29	13.6%	11,392,569.00	128.0%
Administrative and Business	15,625,126.25	8.2%	(6,725,202.00)	-75.5%
Maintenance & Operations	17,393,527.10	9.2%	5,463,675.00	61.4%
Transportation	19,324,537.90	10.2%	(15,407,299.00)	-173.1%
Other	1,094,563.42	0.6%	(54,345,465.00)	-610.4%
	<u>\$189,595,649.68</u>	<u>100.0%</u>	<u>\$8,902,798.00</u>	<u>100.0%</u>

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Capital Assets**

Table A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percent
	(As Restated)				(As Restated)		(As Restated)
	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>
Land	\$20,309,556	\$20,309,556			\$20,309,556	\$20,309,556	0.0%
Construction in Progress	\$679,337	\$0			\$679,337	\$0	0.0%
Building & Improvements	94,038,295	97,480,369			94,038,295	97,480,369	-3.5%
Furniture & Equipment	<u>1,252,900</u>	<u>1,457,759</u>	<u>\$437,614</u>	<u>\$361,727</u>	<u>1,690,514</u>	<u>1,819,486</u>	<u>-7.1%</u>
Total Assets	<u>\$116,280,088</u>	<u>\$119,247,684</u>	<u>\$437,614</u>	<u>\$361,727</u>	<u>\$116,717,702</u>	<u>\$119,609,411</u>	<u>-2.4%</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SOMERSET, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

**Debt Administration**

At June 30, 2024 the District had \$103,774,036.33 of outstanding long-term debt, consisting of compensated absences, installment purchases, bonds, claims and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table A-7  
Outstanding Long-term Debt-Governmental Activities**

	<u>Total School Debt</u>		<u>Total Percentage Change</u>
	<u>FY 2024</u>	<u>FY 2023</u>	
Installment Purchase			
Contracts	\$6,775,618.21	\$7,383,867.00	-8.24%
Compensated Absences	4,292,317.12	3,213,292.00	33.58%
Bonds Payable	58,115,000.00	64,795,000.00	-10.31%
Claims Payable	1,824,508.00	1,455,091.00	25.39%
Original Issue Premium	-	419,591.00	-100.00%
Net Pension Liability	32,766,593.00	30,473,488.00	7.52%
	<u>\$103,774,036.33</u>	<u>\$107,740,329.00</u>	<u>-3.68%</u>

**Contacting the 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 District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Board Secretary's office, Franklin Township School District, 2301 Route 27, Somerset, New Jersey.



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2024.

<b>DISTRICT-WIDE FINANCIAL STATEMENTS</b>
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The statement of net positions 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.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT**  
**STATEMENT OF NET POSITIONS**  
**JUNE 30, 2024**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,175,308.50	\$ 4,595,856.90	\$ 16,771,165.40
Receivables, net	7,155,793.67	254,833.44	7,410,627.11
Inventory		73,032.07	73,032.07
Restricted assets:			
Restricted cash and cash equivalents	14,493,278.07		14,493,278.07
Capital assets:			
Land	20,309,556.00		20,309,556.00
Other capital assets, net	95,970,532.00	437,614.00	96,408,146.00
Total assets	<u>\$ 150,104,468.24</u>	<u>\$ 5,361,336.41</u>	<u>\$ 155,465,804.65</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to pensions	\$ 7,515,467.56	\$ 95,903.00	\$ 7,611,370.56
Deferred amount on refunding bonds	2,283,900.67		2,283,900.67
Total deferred outflow of resources	<u>\$ 9,799,368.23</u>	<u>\$ 95,903.00</u>	<u>\$ 9,895,271.23</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,775,638.58	\$ 1,154.47	\$ 4,776,793.05
Payable to state government	195,888.00		195,888.00
Unearned revenue	6,589,948.87	71,924.45	6,661,873.32
Other liabilities	3,020,531.44		3,020,531.44
Accrued interest payable	456,059.29		456,059.29
Payroll deductions & withholdings payable	4,774,675.22		4,774,675.22
Unemployment compensation claims payable	90,193.25		90,193.25
Noncurrent liabilities:			
Due within one year:			
Bonds & installment purchases payable	8,051,588.21		8,051,588.21
Due beyond one year:			
Bonds & installment purchases payable	56,839,030.00		56,839,030.00
Compensated absences payable	4,292,317.12		4,292,317.12
Other liabilities	1,824,508.00		1,824,508.00
Net pension liability	32,766,593.00	418,127.00	33,184,720.00
Total liabilities	<u>\$ 123,676,970.98</u>	<u>\$ 491,205.92</u>	<u>\$ 124,168,176.90</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Related to pensions	\$ 5,807,435.00	\$ 74,107.00	\$ 5,881,542.00
Total deferred inflow of resources	<u>\$ 5,807,435.00</u>	<u>\$ 74,107.00</u>	<u>\$ 5,881,542.00</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 53,673,370.46	\$ 437,614.00	\$ 54,110,984.46
Restricted for:			
Special revenue (Deficit)	(567,941.14)		(567,941.14)
Capital projects	2,387,914.87		2,387,914.87
Debt service (Deficit)	(451,021.29)		(451,021.29)
Other purposes	11,771,079.34		11,771,079.34
Unrestricted (Deficit)	<u>(36,393,971.75)</u>	<u>4,454,312.49</u>	<u>(31,939,659.26)</u>
Total net positions	<u>\$ 30,419,430.49</u>	<u>\$ 4,891,926.49</u>	<u>\$ 35,311,356.98</u>

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular	\$ 36,628,272.84	\$ 24,534,506.69	\$ 63,023.92	\$ 10,045,639.07	\$ (51,054,116.54)	\$ (51,054,116.54)
Special education	29,900,021.82	9,253,630.42		12,075,987.84	(27,077,664.40)	(27,077,664.40)
Other	28,362,300.61	6,533,368.68		2,587,215.51	(32,308,453.78)	(32,308,453.78)
Support services:						
Student and instruction related services	29,865,659.21	7,161,939.58		11,309,938.50	(25,717,660.29)	(25,717,660.29)
General administrative services	2,023,813.87	845,776.86		27,457.29	(2,842,133.44)	(2,842,133.44)
School administrative services	5,760,390.76	3,466,726.06		962,728.24	(8,264,388.58)	(8,264,388.58)
Central services	1,837,855.61	936,795.94		52,645.64	(2,722,005.91)	(2,722,005.91)
Administration information technology	1,096,318.30	729,713.66		29,433.64	(1,796,598.32)	(1,796,598.32)
Plant operations and maintenance	14,848,903.66	2,798,026.12		253,402.68	(17,393,527.10)	(17,393,527.10)
Student transportation services	18,697,049.68	646,969.57		19,481.35	(19,324,537.90)	(19,324,537.90)
Unallocated benefits	52,236,193.59	(52,236,193.59)				
Unallocated depreciation	4,671,260.00	(4,671,260.00)				
Interest on long term debt	1,071,011.29					
Total governmental activities	\$ 226,999,051.21	\$ 1,071,011.29	\$ 63,023.92	\$ 37,363,929.75	\$ (189,572,097.55)	\$ (189,572,097.55)
Business-type activities:						
Food Service Fund	\$ 4,580,486.85	\$ 4,580,486.85	\$ 1,509,193.58	\$ 3,047,741.14	\$ (23,552.13)	\$ (23,552.13)
Total business-type activities	\$ 4,580,486.85	\$ 4,580,486.85	\$ 1,509,193.58	\$ 3,047,741.14	\$ (23,552.13)	\$ (23,552.13)
Total primary government	\$ 231,579,538.06	\$ 1,572,217.50	\$ 1,572,217.50	\$ 40,411,670.89	\$ (189,595,649.68)	\$ (189,595,649.68)
General Revenues:						
Taxes:						
Property taxes - general			\$ 157,818,035.00	\$	\$ 157,818,035.00	\$ 157,818,035.00
Property taxes - debt service			6,569,014.00		6,569,014.00	6,569,014.00
Federal and state aid not restricted			25,269,563.03		25,269,563.03	25,269,563.03
Miscellaneous income			2,334,732.01		61,027.62	2,395,759.63
Total general revenues			\$ 191,991,344.04		\$ 61,027.62	\$ 192,052,371.66
Change in net position			\$ 2,419,246.49		\$ 37,475.49	\$ 2,456,721.98
Net position - beginning (restated)			28,000,184.00		4,854,451.00	32,854,635.00
Net position - ending			\$ 30,419,430.49		\$ 4,891,926.49	\$ 35,311,356.98

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

<b>MAJOR FUND FINANCIAL STATEMENTS</b>
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The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS AND OTHER DEBITS:</b>					
Assets:					
Cash and cash equivalents	\$ 21,362,257.80	\$ 4,319,259.27	\$ 982,031.50	\$ 5,038.00	\$ 26,668,586.57
Accounts receivable:					
State	3,335,822.20		1,430,544.00		4,766,366.20
Federal	26,800.12	2,105,888.23			2,132,688.35
Other	131,291.68	125,447.44			256,739.12
Total assets	<u>\$ 24,856,171.80</u>	<u>\$ 6,550,594.94</u>	<u>\$ 2,412,575.50</u>	<u>\$ 5,038.00</u>	<u>\$ 33,824,380.24</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 1,452,822.62	\$ 174,835.77	\$ 24,660.63	\$	\$ 1,652,319.02
Payable to state government		195,888.00			195,888.00
Other liabilities		157,863.44			157,863.44
Accrued liability for insurance claims	2,850,901.00				2,850,901.00
Interfunds payable	11,767.00				11,767.00
Payroll deductions & withholdings payable	4,774,675.22				4,774,675.22
Unemployment compensation claims payable	90,193.25				90,193.25
Unearned revenue		6,589,948.87			6,589,948.87
Total liabilities	<u>\$ 9,180,359.09</u>	<u>\$ 7,118,536.08</u>	<u>\$ 24,660.63</u>	<u>\$</u>	<u>\$ 16,323,555.80</u>
Fund balances:					
Restricted for:					
Capital reserve account	\$ 5,763,696.66		\$	\$	\$ 5,763,696.66
Emergency reserve account	1,000,000.00				1,000,000.00
Maintenance reserve account	2,038,086.86				2,038,086.86
Excess surplus-designated for subsequent years expenditures	1,502,825.00				1,502,825.00
Unemployment	1,466,470.82				1,466,470.82
Student activities		334,283.86			334,283.86
Capital Projects Fund			2,387,914.87		2,387,914.87
Assigned for:					
Year-end encumbrances	1,191,729.86				1,191,729.86
Designated for subsequent year expenditures	1,000,000.00				1,000,000.00
Unassigned					
General Fund	1,713,003.51				1,713,003.51
Special Revenue Fund (Deficit)		(902,225.00)			(902,225.00)
Debt Service Fund				5,038.00	5,038.00
Total fund balances	<u>\$ 15,675,812.71</u>	<u>\$ (567,941.14)</u>	<u>\$ 2,387,914.87</u>	<u>\$ 5,038.00</u>	<u>\$ 17,500,824.44</u>
Total liabilities and fund balances	<u>\$ 24,856,171.80</u>	<u>\$ 6,550,594.94</u>	<u>\$ 2,412,575.50</u>	<u>\$ 5,038.00</u>	<u>\$ 33,824,380.24</u>

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

Total Fund Balances (Brought Forward)		\$ 17,500,824.44
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.		
Cost of Assets	\$ 214,291,163.00	
Accumulated Depreciation	<u>(98,011,075.00)</u>	
		116,280,088.00
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	\$ (32,766,593.00)	
Bonds payable	(58,115,000.00)	
Deferred amount on refunding bonds, net	2,283,900.67	
Financed purchase agreements	(6,775,618.21)	
Claims	(1,824,508.00)	
Compensated absences payable	<u>(4,292,317.12)</u>	
		(101,490,135.66)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred outflows:		
Pension related		7,515,467.56
Deferred inflows:		
Pension related		(5,807,435.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Account payable - pension related	\$ (3,123,319.56)	
Accrued interest payable	<u>(456,059.29)</u>	
		<u>(3,579,378.85)</u>
Net Positions of Governmental Activities		<u>\$ 30,419,430.49</u>

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 157,818,035.00	\$	\$	\$ 6,569,014.00	\$ 164,387,049.00
Tuition	63,023.92				63,023.92
Miscellaneous revenues	1,254,278.43	1,080,453.58			2,334,732.01
Total revenues-local sources	\$ 159,135,337.35	\$ 1,080,453.58	\$	\$ 6,569,014.00	\$ 166,784,804.93
State sources	\$ 56,944,994.38	\$ 9,620,642.13	\$	\$ 856,562.00	\$ 67,422,198.51
Federal sources	420,029.03	7,859,017.23			8,279,046.26
Total revenues	\$ 216,500,360.76	\$ 18,560,112.94	\$	\$ 7,425,576.00	\$ 242,486,049.70
<b>EXPENDITURES:</b>					
Current expense:					
Instruction:					
Regular	\$ 36,300,559.11	\$	\$	\$	\$ 36,300,559.11
Special education	12,169,325.13	8,401,581.30			20,570,906.43
Other instruction	28,427,236.23				28,427,236.23
Support services:					
Tuition	7,794,310.84	1,992,389.52			9,786,700.36
Student and instruction related services	21,375,662.57	8,554,932.26			29,930,594.83
General administrative services	2,088,749.49				2,088,749.49
School administrative services	5,825,326.38				5,825,326.38
Central services	1,902,791.23				1,902,791.23
Administration information technology	1,161,253.92				1,161,253.92
Plant operations and maintenance	14,913,839.28				14,913,839.28
Student transportation services	18,761,985.30				18,761,985.30
Employee benefits	67,112,311.47				67,112,311.47
Capital outlay	995,450.93		1,552,651.13		2,548,102.06
Debt service:					
Principal				6,680,000.00	6,680,000.00
Interest				1,181,005.00	1,181,005.00
Total expenditures	\$ 218,828,801.88	\$ 18,948,903.08	\$ 1,552,651.13	\$ 7,861,005.00	\$ 247,191,361.09
Excess (deficiency) of revenues over (under) expenditures	\$ (2,328,441.12)	\$ (388,790.14)	\$ (1,552,651.13)	\$ (435,429.00)	\$ (4,705,311.39)
Other financing sources (uses):					
Proceeds from installment purchases	\$ 673,581.83	\$	\$	\$	\$ 673,581.83
Local contrib.-trans to special rev-inclusion	(305,220.00)	305,220.00			
Operating transfer (out)	(2,714,464.00)		(5,038.00)		(2,719,502.00)
Operating transfer in			2,714,464.00	5,038.00	2,719,502.00
Total financing sources(uses):	\$ (2,346,102.17)	\$ 305,220.00	\$ 2,709,426.00	\$ 5,038.00	\$ 673,581.83
Net change in fund balances	\$ (4,674,543.29)	\$ (83,570.14)	\$ 1,156,774.87	\$ (430,391.00)	\$ (4,031,729.56)
Fund balances, July 1, 2023 (Deficit)	\$ 20,350,356.00	\$ (484,371.00)	\$ 1,231,140.00	\$ 435,429.00	\$ 21,532,554.00
Fund balances, June 30, 2024 (Deficit)	\$ 15,675,812.71	\$ (567,941.14)	\$ 2,387,914.87	\$ 5,038.00	\$ 17,500,824.44

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



FRANKLIN TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds (from B-2) \$ (4,031,729.56)

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

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

Depreciation expense	\$ (4,671,260.00)	
Capital outlays-Capitalized (net)	<u>1,703,664.00</u>	(2,967,596.00)

Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statements of activities.

Paid - principal on bond	6,680,000.00
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Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Original Issue Premium on Refunding Bonds	419,591.00	
Deferred Amount on Refunding Bond	(207,627.33)	
Proceeds from installment purchase agreements	<u>(673,581.83)</u>	(461,618.16)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of financed purchase agreements	1,281,830.62
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

109,993.71

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	2,980,662.00	
Add: Pension benefit	<u>276,146.00</u>	3,256,808.00

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

Net increase in compensated absences	(1,079,025.12)	
Net increase in claims and judgments for self insurance	<u>(369,417.00)</u>	<u>(1,448,442.12)</u>

Change in net assets of governmental activities	\$ <u>2,419,246.49</u>
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OTHER FUNDS
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FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND - ENTERPRISE FUND  
JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 4,595,856.90	\$ 4,595,856.90
Accounts receivable:		
Federal	168,267.90	168,267.90
State	11,389.12	11,389.12
Other	63,409.42	63,409.42
Interfunds receivable	11,767.00	11,767.00
Inventories	73,032.07	73,032.07
Total current assets	\$ 4,923,722.41	\$ 4,923,722.41
Noncurrent assets:		
Furniture, machinery and equipment	\$ 1,614,090.00	\$ 1,614,090.00
Less accumulated depreciation	(1,176,476.00)	(1,176,476.00)
Total noncurrent assets	\$ 437,614.00	\$ 437,614.00
Total assets	\$ 5,361,336.41	\$ 5,361,336.41
DEFERRED OUTFLOW OF RESOURCES:		
Related to pensions	\$ 95,903.00	\$ 95,903.00
Total deferred outflow of resources	\$ 95,903.00	\$ 95,903.00
LIABILITIES:		
Current liabilities:		
Unearned revenue	\$ 71,924.45	\$ 71,924.45
Accounts payable	1,154.47	1,154.47
Noncurrent liabilities:		
Net pension liability	418,127.00	418,127.00
Total liabilities	\$ 491,205.92	\$ 491,205.92
DEFERRED INFLOW OF RESOURCES:		
Related to pensions	\$ 74,107.00	\$ 74,107.00
Total deferred inflow of resources	\$ 74,107.00	\$ 74,107.00
NET POSITIONS:		
Net investment in capital assets	\$ 437,614.00	\$ 437,614.00
Unrestricted	4,454,312.49	4,454,312.49
Total net positions	\$ 4,891,926.49	\$ 4,891,926.49

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND - ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$ 1,358,274.22	\$ 1,358,274.22
Daily sales - non-reimbursable programs	150,919.36	150,919.36
Total operating revenues	\$ 1,509,193.58	\$ 1,509,193.58
OPERATING EXPENSES:		
Cost of sales - reimbursable programs	\$ 1,868,913.32	\$ 1,868,913.32
Cost of sales - non-reimbursable programs	207,657.04	207,657.04
Salaries	1,726,184.08	1,726,184.08
Employee Benefits/Taxes	146,507.68	146,507.68
Purchased Professional Technical Services	53,701.97	53,701.97
Purchased Property Services	84,877.00	84,877.00
Other Purchased Services	3,789.76	3,789.76
Other	429,201.00	429,201.00
Depreciation	59,655.00	59,655.00
Total operating expenses	\$ 4,580,486.85	\$ 4,580,486.85
Operating income (loss)	\$ (3,071,293.27)	\$ (3,071,293.27)
NONOPERATING REVENUES:		
State sources		
State school lunch program	\$ 66,361.67	\$ 66,361.67
State school lunch program-NJEIE	29,583.40	29,583.40
State school breakfast program	45,936.16	45,936.16
State school breakfast program- NJEIE	11,092.75	11,092.75
Federal sources		
National school lunch program	1,600,647.94	1,600,647.94
National school breakfast program	688,148.97	688,148.97
National food distribution commodities	423,593.57	423,593.57
COVID supply chain assistance	\$ 166,077.15	166,077.15
P-EBT Administrative Cost	3,256.00	3,256.00
Local Food for Schools Cooperative Program	13,043.53	13,043.53
Interest earned	61,027.62	61,027.62
Total nonoperating revenues	\$ 3,108,768.76	\$ 3,108,768.76
Net income (loss)	\$ 37,475.49	\$ 37,475.49
Total net positions - beginning	\$ 4,854,451.00	\$ 4,854,451.00
Total net positions - ending	\$ 4,891,926.49	\$ 4,891,926.49

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
Cash flows from operating activities:		
Receipts from customers	\$ 1,467,693.09	\$ 1,467,693.09
Payments to employees	(1,954,107.76)	(1,954,107.76)
Payment to suppliers	(2,720,126.69)	(2,720,126.69)
Net cash provided (used for) by operating activities	\$ (3,206,541.36)	\$ (3,206,541.36)
Cash flows from noncapital financing activities:		
Federal sources	\$ 2,955,201.78	\$ 2,955,201.78
State sources	151,384.86	151,384.86
Net cash provided by (used for) noncapital financing activities	\$ 3,106,586.64	\$ 3,106,586.64
Cash flows from investing activities:		
Interest Earned	\$ 61,027.62	\$ 61,027.62
Net cash provided (used) by investing activities	\$ 61,027.62	\$ 61,027.62
Cash flows from capital and related financing activities		
Purchase of capital assets	\$ (135,542.00)	\$ (135,542.00)
Net cash provided by (used for) capital and related financing activities	\$ (135,542.00)	\$ (135,542.00)
Net increase (decrease) in cash and cash equivalents	\$ (174,469.10)	\$ (174,469.10)
Cash and cash equivalents - July 1	\$ 4,770,326.00	\$ 4,770,326.00
Cash and cash equivalents - June 30	\$ 4,595,856.90	\$ 4,595,856.90
Operating income (loss)	\$ (3,071,293.27)	\$ (3,071,293.27)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	59,655.00	59,655.00
Change in assets and liabilities:		
(Increase) Decrease in operating accounts receivable	(63,409.42)	(63,409.42)
(Increase) Decrease in inventory	(1,273.07)	(1,273.07)
Increase/(Decrease) in accounts payable	(70,713.53)	(70,713.53)
Increase/(Decrease) in Net Pension Liability	29,262.00	29,262.00
Increase/(Decrease) in Deferred Inflows of Resources	(51,560.00)	(51,560.00)
(Increase)/Decrease in Deferred Outflows of Resources	(59,118.00)	(59,118.00)
Increase (Decrease) in unearned revenue	21,908.93	21,908.93
Net cash provided (used) by operating activities	\$ (3,206,541.36)	\$ (3,206,541.36)

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

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The Franklin Township School District is a Type II District located in Somerset County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled *"Determining Whether Certain Organizations are Component Units"* (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

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

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity 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 activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

**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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

**Debt Service Fund** – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

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

**Basis of Accounting - Measurement Focus**

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under installment purchase contracts are reported as other financing sources.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting - Measurement Focus (Continued)**

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

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. 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:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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

Formal budgetary integration into the accounting system is employed as a management control device during the 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 recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**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 assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2016, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

The District accounts for compensated absences (e.g., unused sick days) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of sick days in accordance with the District's employment contracts and personnel policy. The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

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

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

**Unearned Revenue**

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance Reserves**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact. The District reports a portion of fund balance for leases that are not available for appropriation because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not spendable resource.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve, Excess Surplus, Unemployment, and Student Activity fund balances as Restricted Fund Balance.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

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 amount 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. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an 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.

**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. For the District, available means within sixty days of the fiscal year end.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

Non-exchange transactions, in which the 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 property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the 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.

**Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Allocation of Indirect Expenses**

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



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

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

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

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

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one items that qualifies in this category, deferred amounts related to pensions.

**Leases**

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

**Right to Use Assets**

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments**

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2024, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Franklin Township School District had the following cash and cash equivalents at June 30, 2024:

	<b><u>Cash in</u></b>		<b><u>Reconciling</u></b>		<b><u>Reported</u></b>
	<b><u>Bank</u></b>		<b><u>Items</u></b>		<b><u>Total</u></b>
General Fund	\$ 27,067,332.88	\$	(5,705,075.08)	\$	21,362,257.80
Special Revenue Fund	4,326,685.16		(7,425.89)		4,319,259.27
Capital Projects Fund	982,031.50		0.00		982,031.50
Debt Service Fund	5,038.00		0.00		5,038.00
Enterprise Fund	4,688,691.93		(92,835.03)		4,595,856.90
	<u>\$ 37,069,779.47</u>		<u>(\$5,805,336.00)</u>		<u>\$ 31,264,443.47</u>

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2024, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$36,569,779.47 was covered under the provisions of NJGUDPA.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 3:      CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 20,309,556.00	\$	\$	\$ 20,309,556.00
Construction in progress	<u>679,337.00</u>	<u>679,337.00</u>	<u>679,337.00</u>	<u>679,337.00</u>
Total capital assets that are not depreciated	<u>\$ 20,309,556.00</u>	<u>\$ 679,337.00</u>	<u>\$</u>	<u>\$ 20,988,893.00</u>
Capital assets being depreciated:				
Building and building improvements	\$ 177,147,164.00	\$ 860,651.00	\$	\$ 178,007,815.00
Machinery and equipment	<u>15,245,785.00</u>	<u>163,676.00</u>	<u>(115,006.00)</u>	<u>15,294,455.00</u>
Total capital assets being depreciated	<u>\$ 192,392,949.00</u>	<u>\$ 1,024,327.00</u>	<u>\$ (115,006.00)</u>	<u>\$ 193,302,270.00</u>
Total gross assets	<u>\$ 212,702,505.00</u>	<u>\$ 1,703,664.00</u>	<u>\$ (115,006.00)</u>	<u>\$ 214,291,163.00</u>
Less: accumulated depreciation for:				
Building and building improvements	\$ (79,666,795.00)	\$ (4,302,725.00)	\$	\$ (83,969,520.00)
Machinery and equipment	<u>(13,788,026.00)</u>	<u>(368,535.00)</u>	<u>115,006.00</u>	<u>(14,041,555.00)</u>
	<u>\$ (93,454,821.00)</u>	<u>\$ (4,671,260.00)</u>	<u>\$ 115,006.00</u>	<u>\$ (98,011,075.00)</u>
Governmental activities capital assets, net	<u>\$ 119,247,684.00</u>	<u>\$ (2,967,596.00)</u>	<u>\$</u>	<u>\$ 116,280,088.00</u>
Business type activities:				
Machinery and equipment	\$ 1,478,548.00	\$ 135,542.00	\$	\$ 1,614,090.00
Less: accumulated depreciation	<u>(1,116,821.00)</u>	<u>(59,655.00)</u>	<u></u>	<u>(1,176,476.00)</u>
Proprietary fund capital assets, net	<u>\$ 361,727.00</u>	<u>\$ 75,887.00</u>	<u>\$</u>	<u>\$ 437,614.00</u>
Regular Instruction	\$	467,126.00		
Special Instruction		467,126.00		
Other Instruction		467,126.00		
Student & Instruction Related Services		467,126.00		
General Administrative Services		467,126.00		
School Administrative Services		467,126.00		
Central Services		467,126.00		
Information Technology		467,126.00		
Plant, Operations & Maintenance		467,126.00		
Pupil Transportation		467,126.00		
	<u>\$</u>	<u>4,671,260.00</u>		

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2024, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2024.

	<u>Bonds</u>	<u>Original Issue Premium</u>	<u>Claims Payable</u>	<u>Installment Purchase Contract</u>	<u>Compensated Absences</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance 6/30/23	\$64,795,000	\$419,591	\$1,455,091	\$7,383,867	\$3,213,292	\$30,473,488	\$107,740,329
Increases			369,417	673,582	1,079,025	2,293,105	4,415,129
Decreases	<u>6,680,000</u>	<u>419,591</u>		<u>1,281,831</u>			<u>8,381,422</u>
Balance 6/30/24	<u>\$58,115,000</u>	<u>\$0</u>	<u>\$1,824,508</u>	<u>\$6,775,618</u>	<u>\$4,292,317</u>	<u>\$32,766,593</u>	<u>\$103,774,036</u>
Amounts Due Within One Year	<u>\$6,730,000</u>			<u>\$1,321,587</u>			<u>\$8,051,587</u>

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2024, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

Calendar Year

2023	\$14,340,058,308
2022	13,418,238,386
2021	12,942,303,482
	<u>\$40,700,600,176</u>

Average Equalized Valuation of Taxable Property	\$13,566,866,725
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Debt Limit (4% (a) of average equalization value)	542,674,669
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Total Net Debt Applicable to Limit	<u>63,854,764</u>
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Legal Debt Margin	<u><u>\$478,819,905</u></u>
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**Installment Purchase Contracts Payable**

The District has entered into various installment purchase contracts. The following is a schedule of the future minimum payments under these contracts.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2025	\$1,321,587.17	\$171,106.89	\$1,492,694.06
FY 2026	767,971.16	147,371.08	915,342.24
FY 2027	501,490.43	125,107.44	626,597.87
FY 2028	453,044.75	109,422.34	562,467.09
FY 2029	456,523.66	96,224.92	552,748.58
FY 2030	478,000.00	83,398.93	561,398.93
FY 2031	498,000.00	69,993.57	567,993.57
FY 2032	525,000.00	55,942.66	580,942.66
FY 2033	557,000.00	41,081.39	598,081.39
FY 2034	593,000.00	10,246.14	603,246.14
FY 2035	624,000.00	8,570.64	632,570.64
	<u>\$6,775,617.17</u>	<u>\$918,466.00</u>	<u>\$7,694,083.17</u>



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Debt Service Requirements**

The annual requirements to amortize all bonded debt outstanding as of June 30, 2024, including interest payments, are as follows:

<u>Fiscal Year June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$6,730,000	\$1,085,182	\$7,815,182
2026	6,735,000	965,888	7,700,888
2027	6,750,000	829,839	7,579,839
2028	4,680,000	724,896	5,404,896
2029	4,755,000	654,790	5,409,790
2030	4,845,000	577,616	5,422,616
2031	4,840,000	494,137	5,334,137
2032	4,780,000	405,903	5,185,903
2033	4,725,000	310,160	5,035,160
2034	4,665,000	210,793	4,875,793
2035	4,610,000	107,090	4,717,090
	<u>\$58,115,000</u>	<u>\$6,366,295</u>	<u>\$64,481,295</u>

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5: PENSION PLANS**

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

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 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.

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

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 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.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2018, PERS and TPAF provide for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2024	\$3,062,078.00	100.00%	\$3,062,078.00
2023	2,578,884.00	100.00%	2,578,884.00
2022	2,771,769.00	100.00%	2,771,769.00

During the fiscal years ended June 30, 2024, 2023, and 2022, the State of New Jersey contributed \$22,296,214.00, \$21,481,314.00 and \$22,014,444.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2024, 2023, and 2022 \$4,577,225.38, \$4,334,663.00 and \$4,398,726.00 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2024, the State reported a net pension liability of \$33,184,720.00 for the District's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the District's proportion was 0.2291070369 percent, which was an increase of 0.0246038019 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized a pension benefit of \$180,457.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2023 measurement date.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 317,289.00	\$ 135,648.00
Changes of assumptions	72,900.00	2,011,136.00
Net difference between projected and actual earnings on pension plan investments	152,820.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	3,945,042.00	3,734,758.00
District contributions subsequent to the measurement date	<u>3,123,319.56</u>	
	<u>\$ 7,611,370.56</u>	<u>\$ 5,881,542.00</u>

The \$3,123,319.56 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2024	(\$1,709,972.20)
2025	(935,858.20)
2026	1,408,627.80
2027	(202,505.20)
2028	46,216.80
	(\$1,393,491.00)

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

Inflation Price	2.75%
Inflation Wage	3.25%

Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service

Investment Rate of Return	7.00%
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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.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) 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 assets class included in PERS's target assets allocation as of June 30, 2023 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasury's	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68 (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 in determining the total pension liability.

**Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate**

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2023 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension 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:

	<u>June 30, 2023</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$43,199,445.00	\$33,184,720.00	\$24,660,865.00

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF)**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	\$-0-
State's proportionate share associated with the District	<u>264,489,177.00</u>
	<u><u>\$264,489,177.00</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 which was rolled forward to June 30, 2023. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2023, the proportion of the TPAF net pension liability associated with the District was .5182742329% which was a decrease of .0090511082 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$6,497,729.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2023 measurement date.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

**Mortality Rate**

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.58%
Real Estate	8.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. 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.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>369,595</u>

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Non-Employer OPEB Liability**

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>257,478,190</u>
	<u>\$257,478,190</u>

The total Non-Employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2024, the District recognized on-behalf post-employment expense and revenue of \$8,798,947 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2023 measurement date.

At June 30, 2024, the District's proportion was 0.4917303032 percent, which was an increase of 0.0081941377 from its proportion measured as of June 30, 2023.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**Actuarial Assumptions and Other Inputs**

The total Non-Employer OPEB liability that was associated with the District 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:

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

	<u>June 30, 2023</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

\*- 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 disables 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, 2021 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 eight 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 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%.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Input (Continued)**

**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.

**Changes in the Total Non-Employer OPEB Liability**

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2022 to June 30, 2023.

Balance at 6/30/22		\$244,893,965
Changes for the year:		
Service cost	\$11,442,549	
Interest	9,068,075	
Differences between expected and actual experience	(1,609,031)	
Changes in assumptions or other inputs	518,969	
Membership Contributions	232,378	
Benefit payments - Net	<u>(7,068,715)</u>	
Net changes		<u>12,584,225</u>
Balance at 6/30/23		<u>\$257,478,190</u>



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate**

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

	<u>June 30, 2023</u>		
	<u>1.00%</u> <u>Decrease (2.65%)</u>	<u>At Discount</u> <u>Rate (3.65%)</u>	<u>1.00%</u> <u>Increase (4.65%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$301,848,975	\$257,478,190	\$221,853,601

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer 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:

	<u>June 30, 2023</u>		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$213,746,594	\$257,478,190	\$314,701,097

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability**

At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 37,566,820	\$ 67,817,193
Changes of assumptions	36,613,720	71,054,785
Changes in proportion	<u>11,133,469</u>	<u>6,492,100</u>
	\$ <u>85,314,009</u>	\$ <u>145,364,078</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2024	(\$11,911,912)
2025	(\$11,911,912)
2026	(\$10,231,661)
2027	(\$5,651,200)
2028	(\$418,465)
Total	
Thereafter	<u>(\$19,924,918)</u>
	<u>(\$60,050,069)</u>

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7:      ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**NOTE 8:      LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**NOTE 9:      CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2023-2024 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**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. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Property and Liability Insurance** - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**WORKERS' COMPENSATION PLAN**

The District has established a worker's compensation plan for its employees. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$700,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Reinsurance Agreement with Safety National Casualty Corporation.

The reinsurance policy also contains an aggregate loss provision in the amount of \$1,000,000 employers limit. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the District under existing reinsurance agreements.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2024, are reported as claims payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$2,853,151 reported at June 30, 2024 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The unpaid claims balance for the worker's compensation plan for the fiscal years ended June 30, 2024 and 2023 were \$2,853,151 and \$2,483,734, respectively.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 10: RISK MANAGEMENT (CONTINUED)**

**HEALTH INSURANCE PLAN**

The District has established a health and prescription plan for its employees. The plan was established during the fiscal year ended June 30, 2021, effective January 1, 2021. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2024, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator. The unpaid claims liability of \$1,822,258 reported at June 30, 2024 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The unpaid claims balance for the health insurance plan for the fiscal years ended June 30, 2024 and 2023 were \$1,822,258 and \$2,124,448, respectively.

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against various types of insurance coverage including property, liability, student activity and surety bond claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 10: RISK MANAGEMENT (CONTINUED)**

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

<u>Fiscal</u> <u>Year</u>		<u>Interest</u> <u>Earned</u>	<u>Board &amp; Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023-24	\$	13,432.04	\$ 232,408.78	\$ 155,647.57	\$ 1,556,664.07
2022-23			224,698.00	70,358.00	1,466,470.82
2021-22			91,092.00	88,470.00	1,312,131.00

**NOTE 11: FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$15,675,812.71 in General Fund Balance at June 30, 2024, \$5,763,696.66 has been restricted in the Capital Reserve Account; \$1,000,000.00 has been restricted in the Emergency Reserve Account; \$2,038,086.86 has been restricted in the Maintenance Reserve Account; \$1,466,470.82 has been restricted for Unemployment; \$1,000,000.00 has been committed for subsequent year's expenditures; \$1,502,825.00 has been restricted as excess surplus designated for subsequent years expenditures; \$1,191,729.86 has been assigned for encumbrances; and \$1,713,003.51 is unassigned.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 12: CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 resulting from the year ended June 30, 2024 is \$0.00.

General Fund Expenditures:

Fiscal Year Ended, June 30, 2024	\$ 219,198,218.88
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Add:

Transfer from Capital Reserve to Capital Projects and Transfer from General Fund to SRF for Prek- Inclusion	3,019,684.00
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Less:

On-Behalf TPAF Pension & Social Security and Assets acquired under installment purchase contracts	33,625,604.21
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Adjusted General Fund Expenditures	188,592,298.67
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Excess Surplus Percentage	2.0%
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3,771,845.97
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Greater of line above or \$250,000.00	3,771,845.97
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Increased by:

Allowable Adjustments	712,022.00
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Maximum Unreserved/Undesignated

General Fund Balance	4,483,867.97
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Actual Unassigned

General Fund Balance	3,397,391.51
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Excess Surplus	\$ <u>0.00</u>
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**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 13:     CAPITAL RESERVE ACCOUNT**

A capital reserve account was originally established by the Franklin Township School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund 5,763,696.66.

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. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2024 is as follows:

Balance, June 30, 2023		\$ 8,476,032.00
Increased by:		
Interest		2,128.66
		<u>\$ 8,478,160.66</u>
Decreased by:		
Appropriation	\$ 2,300,000.00	
Transfer To Other Funds	<u>414,464.00</u>	
		<u>2,714,464.00</u>
Balance, June 30, 2024		<u><u>\$ 5,763,696.66</u></u>



**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 14: EMERGENCY RESERVE ACCOUNT**

An emergency reserve was established by the District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

The activity of the emergency reserve for the year ending June 30, 2024 is as follows:

Balance, June 30, 2023 and 2024	<u>\$1,000,000.00</u>
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**NOTE 15: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve was established through a board resolution by the Township of Franklin School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve for the year ending June 30, 2024 is as follows:

Balance, June 30, 2023	\$2,035,831.00
Increased by:	
Interest	<u>2,255.86</u>
Balance, June 30, 2024	<u>\$2,038,086.86</u>

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 16: INVENTORY**

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Food, Commodities and Supplies     \$73,032.07

**NOTE 17: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2024.

**NOTE 18: COMPENSATED ABSENCES**

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences of the governmental fund types are recorded in the district-wide statement of net position. As of June 30, 2024, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$4,292,317.12.

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, 2024 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 19: PRIOR PERIOD RESTATEMENT**

Net Position at June 30, 2023 has been adjusted to properly reflect Capital Assets as June 30, 2023:

	<u>Governmental Activities</u>
Net Position 6/30/23	\$43,814,657.00
Adjustments:	
capital Assets Restatement	<u>(15,814,473.00)</u>
Net Position 6/30/23 (as Restated)	<u>\$28,000,184.00</u>

**NOTE 20: DEFICIT FUND BALANCE**

The District has a deficit of fund balance of \$902,225.00 in the Special Revenue Fund as of June 30, 2024 as reported in the GAAP fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry; *i.e.*, if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the delayed state aid payments in the subsequent fiscal year, the school district cannot recognize the delayed state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the delayed state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a result from a delay in state aid payments until the following fiscal year, is not considered a violation of New Jersey statute. The deficit in the Special Revenue Fund is equal to or less than the delayed state aid payment and, therefore, no violation of New Jersey Statute or regulation exists nor is there a need for corrective action.

**Franklin Township School District**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 21: TAX ABATEMENTS**

As defined by the Government Accounting Standards Board (GASB) Statement No. 77, 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 District is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the District's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54-4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the 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 N.J.S.A. 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 22: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balances sheet at June 30, 2024:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$11,767.00	
Enterprise Fund		\$11,767.00
	<u>\$11,767.00</u>	<u>\$11,767.00</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 23: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through January 17, 2025, which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – Part II**

<b>BUDGETARY COMPARISON SCHEDULES</b>
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FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 157,818,035.00	\$	\$ 157,818,035.00	\$ 157,818,035.00	\$
Tuition From Other Sources	75,000.00		75,000.00	63,023.92	(11,976.08)
Unrestricted Miscellaneous Revenues	750,000.00		750,000.00	1,249,894.09	499,894.09
Interest Earned on Maintenance Reserve	500.00		500.00	2,255.86	1,755.86
Interest Earned on Capital Reserve Funds	1,500.00		1,500.00	2,128.66	628.66
<b>Total Local Sources</b>	<b>158,645,035.00</b>		<b>158,645,035.00</b>	<b>159,135,337.53</b>	<b>490,302.53</b>
State Sources:					
Categorical Transportation Aid	3,372,682.00		3,372,682.00	3,372,682.00	
Extraordinary Aid	2,100,000.00		2,100,000.00	2,456,760.00	356,760.00
Categorical Special Education Aid	9,217,005.00		9,217,005.00	9,217,005.00	
Equalization Aid	6,147,194.00		6,147,194.00	6,147,194.00	
Categorical Security Aid	2,769,263.00		2,769,263.00	2,769,263.00	
Other State Aids				655,666.00	655,666.00
On-behalf TPAF Contributions-non-budgeted				22,044,805.00	22,044,805.00
On-behalf TPAF N.C.G.I.-non-budgeted				251,409.00	251,409.00
Reimbursed TPAF Soc. Sec. Contribution-non-budgeted				4,577,225.38	4,577,225.38
Post Retirement Medical-non budgeted				6,068,214.00	6,068,214.00
Long Term Disability Insurance				10,369.00	10,369.00
<b>Total State Sources</b>	<b>23,606,144.00</b>		<b>23,606,144.00</b>	<b>57,570,592.38</b>	<b>33,964,448.38</b>
Federal Sources:					
Medicaid Reimbursement	395,922.00		395,922.00	420,029.03	24,107.03
<b>Total Federal Sources</b>	<b>395,922.00</b>		<b>395,922.00</b>	<b>420,029.03</b>	<b>24,107.03</b>
<b>Total Revenues</b>	<b>182,647,101.00</b>		<b>182,647,101.00</b>	<b>217,125,958.94</b>	<b>34,478,857.94</b>

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - Regular Programs:					
Kindergarten	\$ 2,128,958.00	\$ (196,008.00)	\$ 1,930,950.00	\$ 1,922,840.78	\$ 8,109.22
Grades 1-5	10,510,858.00	172,048.97	10,682,906.97	10,679,006.79	3,900.18
Grades 6-8	8,394,772.00	93,388.48	8,488,160.48	8,487,293.24	867.24
Grades 9-12	11,553,160.00	(31,634.90)	11,521,525.10	11,521,525.10	
Regular programs - home instruction:					
Salaries of teachers	30,000.00	13,008.00	43,008.00	43,008.00	
Purchased professional educational services	26,520.00	(4,376.88)	22,143.12	14,879.25	7,263.87
Regular programs - undistributed instruction:					
Purchased professional - educational services	1,312,820.00	702,263.49	2,015,083.49	1,959,255.48	55,828.01
Purchased technical services	200,877.00	550,884.96	751,761.96	272,849.46	478,912.50
Other purchased services (400 - 500 series)	1,384,982.00	(1,030,119.76)	354,862.24	333,011.28	21,850.96
General supplies	963,222.00	4,636.72	967,858.72	943,329.96	24,528.76
Textbooks	93,104.00	20,106.37	113,210.37	113,209.77	0.60
Other objects	15,900.00	25.50	15,925.50	10,350.00	5,575.50
Total regular programs	36,613,173.00	284,222.95	36,907,395.95	36,300,559.11	606,836.84
<b>Instruction - Special Education:</b>					
Intellectual Disability-Moderate:					
Salaries of Teachers	168,412.00	(46,150.20)	122,261.80	122,261.80	
Other Salaries for Instruction	102,042.00	(5,500.55)	96,541.45	96,541.45	
General Supplies	8,487.00	(6,540.00)	1,947.00	1,947.00	
Other Objects	5,150.00	(2,534.00)	2,616.00	2,556.61	59.39
Total Intellectual Disability-Moderate	284,091.00	(60,724.75)	223,366.25	223,306.86	59.39
Learning and/or Language Disabilities-Mild/Moderate:					
Salaries of Teachers	1,227,213.00	(560,021.22)	667,191.78	667,190.98	0.80
Other salaries for instruction	837,568.00	(204,833.37)	632,734.63	632,734.63	
General Supplies	25,886.00	50,087.00	75,973.00	73,543.88	2,429.32
Total Learning and/or Language Disabilities-Mild/Moderate	2,090,667.00	(714,767.59)	1,375,899.41	1,373,469.29	2,430.12
<b>Emotional Regulation Impairment:</b>					
Salaries of Teachers	72,468.00	(72,468.00)			
General Supplies	2,120.00	(645.00)	1,475.00	1,475.00	
Total Emotional Regulation Impairment	74,588.00	(73,113.00)	1,475.00	1,475.00	
<b>Resource Room / Resource Center:</b>					
Salaries of Teachers	7,229,621.00	(1,021,878.78)	6,207,742.22	6,207,716.15	26.07
Other salaries for instruction	886,811.00	(72,289.11)	814,521.89	812,478.18	1,843.71
General Supplies	28,890.00	(5,130.00)	23,760.00	23,531.68	228.32
Total Resource Room / Resource Center	8,145,122.00	(1,099,297.89)	7,045,824.11	7,043,726.01	2,098.10



FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>Aulism:</b>					
Salaries of Teachers	\$ 1,266,151.00	\$ 343,454.43	\$ 1,609,605.43	\$ 1,609,605.43	
Other Salaries for Instruction	740,486.00	(96,098.32)	644,387.68	644,387.68	
General Supplies	62,358.00	25,580.48	87,938.48	87,937.70	300.78
Total Autism	2,068,995.00	272,936.59	2,341,931.59	2,341,630.81	300.78
<b>Preschool Disabilities - Full - Time:</b>					
Salaries of Teachers	829,880.00	(174,643.17)	655,236.83	654,064.15	1,172.68
Other Salaries for Instruction	701,822.00	(302,888.01)	398,933.99	398,933.58	0.41
Supplies and Materials	15,900.00	(13.37)	15,886.63	15,854.93	31.70
Total Preschool Disabilities - Full - Time	1,547,602.00	(477,544.55)	1,070,057.45	1,068,852.66	1,204.79
<b>Home Instruction:</b>					
Salaries of Teachers	97,863.00		97,863.00	97,863.00	
Purchased Professional-Educational Services	10,610.00	16,724.00	27,334.00	19,001.50	8,332.50
Total Home Instruction	10,610.00	114,587.00	125,197.00	116,864.50	8,332.50
<b>Total Special Education</b>	<b>14,221,675.00</b>	<b>(2,037,924.19)</b>	<b>12,183,750.81</b>	<b>12,169,325.13</b>	<b>14,425.68</b>
<b>Basic Skills / Remedial:</b>					
Salaries of Teachers	3,198,886.00	85,926.44	3,284,812.44	3,283,160.82	1,651.62
General Supplies		3,600.00	3,600.00	2,646.33	953.67
Total Basic Skills / Remedial	3,198,886.00	89,526.44	3,288,412.44	3,285,807.15	2,605.29
<b>Bilingual Education Instruction:</b>					
Salaries of Teachers	3,325,889.00	(304,206.98)	3,021,682.02	3,021,681.41	0.61
Other Salaries for Instruction	48,147.00	(4,109.00)	44,038.00	43,455.99	582.01
General Supplies	52,070.00	19.00	52,089.00	52,025.71	63.29
Textbooks	2,410.00	(2,410.00)			
Total Bilingual Education Instruction	3,428,516.00	(310,706.98)	3,117,809.02	3,117,163.11	645.91
<b>School Sponsored Co-Curricular Activities:</b>					
Salaries	519,495.00	(55,834.44)	463,660.56	462,242.56	1,418.00
Purchased Services (300-500 series)	17,290.00	401.75	17,691.75	17,671.07	20.68
Supplies and Materials	16,967.00	9,747.98	26,714.98	24,947.45	1,767.53
Other Objects	46,175.00	(1,260.09)	44,914.91	40,137.24	4,777.67
Total School Sponsored Co-Curricular Activities	599,927.00	(46,944.80)	552,982.20	544,998.32	7,983.88
<b>School Sponsored Athletics:</b>					
Salaries	933,995.00	98,303.92	1,033,298.92	1,018,936.92	14,362.00
Purchased Services (300-500 Series)	40,700.00		40,700.00	39,885.00	815.00
Supplies and Materials	71,770.00	(16,486.93)	55,283.07	53,456.07	1,827.00
Other Objects	149,563.00	(17,042.09)	132,520.91	108,652.65	23,868.26
Total School Sponsored Athletics	1,196,028.00	65,774.90	1,261,802.90	1,220,930.64	40,872.26

## FRANKLIN TOWNSHIP SCHOOL DISTRICT

## GENERAL FUND

## COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Instructional ALT ED Prog Instruction:	372,096.00	186,911.73	559,007.73	559,007.73	
Salaries of Teachers	24,180.00	(24,180.00)			
Other Salaries of Instruction	4,650.00	6,618.63	11,268.63	7,262.03	4,006.60
Purchased Professional & Technical Services	2,000.00		2,000.00	970.83	1,029.17
General Supplies		94.37	94.37	94.37	
Other Objects					
Total Instructional ALT ED Prog Instruction	402,926.00	169,444.73	572,370.73	567,334.96	5,035.77
Instructional ALT ED Prog Support:					
Salaries	278,400.00	(257,057.00)	21,343.00	21,342.06	0.94
Purchased Professional and Technical Services	600.00		600.00		600.00
Supplies and Materials	1,625.00		1,625.00	1,015.99	609.01
Total Instructional ALT ED Prog Support	280,625.00	(257,057.00)	23,568.00	22,358.05	1,209.95
Total Instructional ALT ED Program	683,551.00	(87,612.27)	595,938.73	589,693.01	6,245.72
Total Other Instructional Programs	9,106,908.00	(289,962.71)	8,816,945.29	8,758,592.23	58,353.06
Total - Instruction	59,941,756.00	(2,033,663.95)	57,908,092.05	57,228,476.47	679,615.58
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	310,000.00	(3,209.65)	306,790.35	306,790.35	
Tuition to Other LEA's within the State - Special	2,434,895.00	(160,492.37)	2,274,402.63	2,215,812.63	58,590.00
Tuition to County Vocational School District - Regular	205,250.00	(119,391.00)	85,859.00	85,859.00	
Tuition to County Vocational School District - Sp Ed	48,058.00	(11,028.00)	37,030.00	37,030.00	
Tuition to CSSD & Regional Day Schools	168,010.00	(156,734.70)	11,275.30	11,275.30	0.30
Tuition to Private Schools for the Handicapped w/in State	3,947,069.00	592,566.35	4,539,635.35	4,413,611.36	126,023.99
Tuition - State Facilities	86,650.00		86,650.00	86,650.00	
Tuition - Other	359,254.00	278,029.00	637,283.00	637,282.50	0.50
Total Undistributed Expenditures - Instruction	7,559,186.00	419,739.63	7,978,925.63	7,794,310.84	184,614.79
Attendance and Social Work Services:					
Salaries	125,900.00	10,565.96	136,465.96	135,965.96	500.00
Total Attendance and Social Work Services	125,900.00	10,565.96	136,465.96	135,965.96	500.00
Health Services:					
Salaries	1,458,773.00	(269,949.82)	1,188,823.18	1,172,712.00	16,111.18
Purchased Professional and Technical Services	650,011.00	(165,736.66)	484,274.35	478,587.79	5,686.56
Other Purchased Services	1,080.00	(1,080.00)			
Supplies and Materials	37,201.00	1,495.00	38,696.00	38,587.35	108.65
Total Health Services	2,147,065.00	(435,271.47)	1,711,793.53	1,689,887.14	21,906.39
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	1,097,308.00	(157,715.23)	939,592.77	937,468.25	2,124.52
Purchased Professional - Educational Services	1,596,500.00	2,603,958.36	4,200,458.36	3,984,083.23	216,375.13
Supplies and Materials	9,095.00	(228.00)	8,867.00	8,865.01	1.99
Total Other Support Services - Speech, OT, PT & Related Services	2,702,903.00	2,446,015.13	5,148,918.13	4,930,416.49	218,501.64

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>Other Support Services - Students - Extra Services</b>					
Salaries	\$ 567,817.00	\$ (4,853.04)	\$ 562,963.96	\$ 561,963.96	\$ 1,000.00
Purchased Professional - Educational Services	2,163,750.00	419,754.04	2,583,504.04	2,553,115.95	30,388.09
<b>Total Other Support Services - Students - Extra Services</b>	<b>2,731,567.00</b>	<b>414,901.00</b>	<b>3,146,468.00</b>	<b>3,115,079.91</b>	<b>31,388.09</b>
<b>Guidance:</b>					
Salaries of Other Professional Staff	2,306,508.00	(180,319.49)	2,126,188.51	2,123,987.18	2,201.33
Salaries of Secretarial and Clerical Assistants	307,403.00	(23,090.33)	284,312.67	280,043.44	4,269.23
Purchased Professional - Educational Services	590,987.00	(497,831.00)	93,156.00	72,507.09	20,648.91
Other Purchased Professional and Tech Services	8,561.00	7,500.00	16,061.00	15,706.01	354.99
Other Purchased Services	6,810.00	(2,950.00)	3,860.00	1,342.96	2,517.04
Supplies and Materials	41,137.00	(3,300.00)	37,837.00	24,585.07	13,251.93
Other Objects	48,053.00	(10,500.00)	37,553.00	32,458.50	5,094.50
<b>Total Guidance</b>	<b>3,309,459.00</b>	<b>(710,490.82)</b>	<b>2,598,968.18</b>	<b>2,550,630.25</b>	<b>48,337.93</b>
<b>Child Study Teams:</b>					
Salaries of Other Professional Staff	2,705,186.00	(348,706.75)	2,356,479.25	2,356,479.21	0.04
Salaries of Secretarial and Clerical Assistants	365,819.00	(228,569.04)	137,249.96	136,997.76	252.20
Salaries of ABA in Home Therapy	2,000.00	285,614.43	287,614.43	287,614.43	
Purchased Professional Educational Services	81,620.00	221,282.00	302,902.00	291,917.11	10,984.89
Other Purchased Professional and Technical Svcs.	20,000.00	5,304.00	25,304.00	25,303.32	0.68
Other Purchased Services (400-500 series)	14,294.00	(10,200.00)	4,094.00	3,992.87	101.13
Supplies and Materials	24,796.00	(2,052.00)	22,744.00	22,706.71	37.29
Other Objects	23,161.00		23,161.00	23,153.80	7.20
<b>Total Child Study Teams</b>	<b>3,236,876.00</b>	<b>(77,327.36)</b>	<b>3,159,548.64</b>	<b>3,148,165.21</b>	<b>11,383.43</b>
<b>Improvement of Instruction Services</b>					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	1,703,937.00	199,641.33	1,903,578.33	1,903,578.33	
Salaries of Other Professional Staff	208,310.00	(66,717.82)	140,592.18	131,021.60	9,570.58
Salaries of Secretarial and Clerical Asssts.	292,885.00	16,382.86	309,267.86	306,767.86	2,500.00
Other Salaries	76,125.00	2,249.88	78,374.88	76,374.88	
Sal of Facilitators, Math & Literacy Coaches	2,084,295.00	21,401.15	2,105,696.15	2,079,518.03	26,178.12
Purchased Prof. and Tech. Services	27,000.00		27,000.00	26,980.00	20.00
Other Purchased Services (400-500)	24,654.00	(1,050.22)	23,603.78	15,507.21	8,096.57
Supplies and materials	7,900.00	4,897.25	12,797.25	11,935.48	861.77
Other Objects	45,974.00	(1,801.00)	44,173.00	33,032.50	11,140.50
<b>Total Improvement of Instruction Services /</b>					
<b>Other Support Services - Instructional Staff</b>	<b>4,472,080.00</b>	<b>173,003.43</b>	<b>4,645,083.43</b>	<b>4,586,715.89</b>	<b>58,367.54</b>
<b>Educational Media Services / School Library:</b>					
Salaries	634,706.00	(5,219.57)	629,486.43	621,860.82	7,625.61
Purchased Professional and Technical Services	220,000.00	(192,382.00)	27,618.00	23,252.14	4,365.86
Supplies and materials	114,348.00	(382.50)	113,965.50	113,081.62	883.88
<b>Total Educational Media Services / School Library</b>	<b>969,054.00</b>	<b>(197,984.07)</b>	<b>771,069.93</b>	<b>758,194.58</b>	<b>12,875.35</b>

FRANKLIN TOWNSHIP SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	458,895.00	(35,511.15)	423,383.85	411,642.01	1,882.00
Other Purchased Professional - Educational Svcs.	19,335.00	(2,000.00)	17,335.00	13,171.76	11,741.84
Other Purchased Technical Services	20,775.00	2,250.92	23,025.92	17,890.14	4,163.24
Other Purchased Services (400- 500)	22,736.00	3,805.92	26,541.92	17,463.23	5,135.78
Supplies and materials	524,063.00	(31,454.31)	492,608.69	460,607.14	9,078.69
Total Instructional Staff Training Services					32,001.55
Support Services General Administration:					
Salaries	817,607.00	22,279.87	839,886.87	839,267.87	619.00
Legal Services	297,850.00	25,227.44	323,077.44	319,500.19	3,577.25
Expenditure and Internal Control Audit Fees	65,000.00	7,010.00	72,010.00	72,010.00	
Architectural/Engineering Services	65,000.00	35,311.25	100,311.25	36,149.94	64,161.31
Other Purchased Professional Services	71,565.00	(35,000.00)	36,565.00	36,500.00	65.00
Other Purchased Technical Services	187,884.00	(33,126.54)	154,757.46	130,819.94	3,937.52
Communications / Telephone	419,729.00	6,807.00	426,536.00	425,244.43	1,291.57
Board Travel Expense	8,500.00	(7,236.00)	1,264.00	1,263.74	0.26
Miscellaneous Expenditures	217,280.00	(53,700.00)	163,580.00	163,333.55	246.45
General Supplies	7,900.00	(6,109.00)	1,791.00	1,529.95	261.05
BOE In- House Training/ Meeting Supplies	5,000.00	(3,024.00)	1,976.00		1,976.00
Judgements against the District	3,000.00	(100.00)	2,900.00		2,900.00
Miscellaneous Expenditures	6,920.00	16,069.01	22,989.01		245.94
BOE Membership Dues and Fees	45,125.00	(1,875.00)	43,250.00	22,743.07	2,863.19
Total Support Services General Administration	2,198,360.00	(27,465.97)	2,170,894.03	2,088,749.49	82,144.54
Support Services School Administration:					
Salaries of Principals / Asst. Principals	2,851,118.00	(82,248.71)	2,768,869.29	2,768,869.29	
Salaries of Other Professionals	815,993.00	200,770.59	1,016,763.59	1,016,763.59	
Salaries of Secretarial and Clerical Assistants	1,933,547.00	(94,079.16)	1,839,467.84	1,834,897.72	4,570.12
Other Salaries		36,626.23	36,626.23	36,625.13	1.10
Purchased Professional and Technical Services	26,450.00	(8,520.00)	17,930.00	17,930.00	
Other Purchased Services(400-500 series)	25,300.00	(12,252.00)	13,048.00	12,547.20	500.80
Supplies and Materials	88,541.00	38,438.59	126,979.59	113,870.31	13,109.28
Other Objects	24,700.00	(87.91)	24,612.09	23,823.14	788.95
Total Support Services School Administration	5,765,649.00	78,647.63	5,844,296.63	5,825,326.38	18,970.25
Central Service:					
Salaries	1,540,233.00	73,750.86	1,613,983.86	1,609,182.54	4,801.32
Other Purchase Professional Service	132,086.00	78,479.18	210,565.18	210,562.57	2.61
Misc. Purch Services (400-500)	26,000.00	(19,053.00)	6,947.00	6,946.63	0.37
Supplies and Materials	26,761.00	14,862.51	41,623.51	40,758.58	864.93
Miscellaneous Expenditures	22,474.00	14,015.07	36,489.07	35,340.91	1,148.16
Total Central Service	1,747,554.00	162,054.62	1,909,608.62	1,902,791.23	6,817.39

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>Administrative Information Technology:</b>					
Salaries	\$ 903,201.00	\$ (3,523.49)	\$ 899,677.51	\$ 899,677.51	\$ 5.00
Purchased Technical Services	142,879.00	53,783.25	196,662.25	196,657.25	504.45
Other Purchased Services	23,000.00	(18,100.00)	4,900.00	4,395.55	227.47
Supplies and Materials	59,001.00	1,750.08	60,751.08	60,523.61	736.92
Total Administrative Information Technology	1,128,081.00	33,909.84	1,161,990.84	1,161,253.92	
<b>Required Maintenance for School Facilities:</b>					
Cleaning, Repair and Maintenance Services	461,796.00	316,380.72	778,176.72	631,247.68	146,929.04
General Supplies	201,254.00	(18,293.05)	182,960.95	181,863.35	1,097.60
Other Objects	22,500.00	1,667.06	24,167.06	24,167.05	0.01
Total Required Maintenance for School Facilities	685,550.00	299,754.73	985,304.73	837,278.08	148,026.65
<b>Custodial Services:</b>					
Salaries	5,102,257.00	(229,022.96)	4,873,234.04	4,872,311.81	922.23
Purchased Professional and Technical Services	11,000.00	(11,000.00)		270,776.85	2.16
Cleaning, Repair and Maintenance Services	216,500.00	54,279.01	270,779.01	212,516.31	577.25
Other Purchased Property Services	270,000.00	(56,906.44)	213,093.56	1,017,393.12	135.88
Insurance	996,035.00	21,494.00	1,017,529.00	299,012.21	696.66
General Supplies	161,450.00	138,258.87	299,708.87	678,044.20	12,318.09
Energy (Natural Gas)	740,000.00	(61,955.80)	678,044.20	1,881,294.42	3,981.43
Energy (Heat and Electricity)	1,595,000.00	298,612.51	1,893,612.51	14,353.76	0.31
Energy (Gasoline)	9,000.00	9,335.19	18,335.19	1,368.60	
Other Objects	2,000.00	(631.40)	1,368.60	149,546.69	
Interest - Energy Savings Impr Prog Bonds	149,547.00		149,547.00	338,000.00	
Principal - Energy Savings Impr Prog Bonds	338,000.00		338,000.00	9,734,617.97	18,634.01
Total Custodial Services	9,590,789.00	162,462.98	9,753,251.98		
<b>Care and Upkeep of Grounds:</b>					
Salaries	553,987.00	1,325.80	555,312.80	555,312.80	25,790.40
Cleaning, Repair And Maintenance	68,000.00	39,980.49	107,980.49	82,190.09	15,572.36
General Supplies	57,000.00	31,207.13	88,207.13	73,634.77	41,362.76
Total Care and Upkeep of Grounds	678,987.00	72,513.42	751,500.42	710,137.66	
<b>Security:</b>					
Salaries	2,290,267.00	27,691.28	2,317,958.28	2,317,958.28	11,360.56
Purchased Professional and Technical Services	1,183,587.00	98,147.47	1,281,734.47	1,270,373.91	
Cleaning, Repair, and Maintenance Services	10,000.00	(1,300.00)	8,700.00	8,700.00	0.58
General Supplies	20,000.00	14,773.96	34,773.96	34,773.38	
Total Security	3,503,854.00	139,312.71	3,643,166.71	3,631,805.57	11,361.14

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Student Transportation Services:					
Salaries of Non-Instructional Aides	39,948.00	138.00	40,086.00	40,086.00	
Salaries for Pupil Transportation (Between Home and School) - Regular	93,981.00	127,280.00	221,261.00	221,261.00	
Salaries for Pupil Transportation (Between Home and School) - Special	487,764.00	(153,638.22)	334,125.78	334,125.74	0.04
Management Fee- ESC & CTSA Trans. Program	110,520.00	95,294.97	205,814.97	205,814.97	
Transportation- Other Purchased Prof & Tech	17,035.00	210.59	17,245.59	17,036.00	209.59
Cleaning, Repair and Maintenance Services	235,101.00	78,502.78	313,603.78	221,775.45	91,828.33
Contracted Services - Aid in Lieu Payments-NonPub Sch	327,040.00	458,508.54	785,548.54	783,218.54	2,330.00
Contracted Services - Aid in Lieu Payments-Charter Sch	47,012.00	(21,822.36)	25,189.64	25,189.64	
Contracted Services (Between Home & School) - Vendors	5,548,176.00	1,061,697.77	6,609,873.77	6,603,309.04	6,564.73
Contracted Services (Other than Between Home and School) - Vendors	648,506.00	(4,652.24)	643,853.76	617,926.88	25,926.88
Contrt Serv(Bet. Home & Sch)-Joint Agrmnts	25,018.00	31,117.00	56,135.00	55,213.46	921.54
Contract Services (Sp. Ed. Sids.) - Vendors	6,087,590.00	(1,355,727.47)	4,731,862.53	4,731,862.53	
Contract. Serv.(Reg. Students)-ESCs & CTSA	845,585.00	795,238.13	1,640,823.13	1,640,823.13	
Contracted Svcs -(Spec.Ed. Stud) - ESCs & CTSA	2,788,576.00	473,455.34	3,262,031.34	3,262,031.34	
Miscellaneous Purchased Services - Transportation	1,732.00	(885.00)	847.00	846.35	0.65
General Supplies	4,590.00	(3,711.00)	879.00	815.23	63.77
Other Objects	1,836.00	(1,185.59)	650.41	650.00	0.41
Total Student Transportation Services	17,310,010.00	1,579,821.24	18,889,831.24	18,761,985.30	127,845.94
Unallocated Benefits - Employee Benefits:					
Group Insurance	1,200.00		1,200.00	1,934,304.79	1,200.00
Social Security Contributions	1,518,091.00	(339,503.76)	1,178,587.24	3,552,292.94	(755,717.55)
Other Retirement Contributions - PERS	2,300,849.00	1,251,443.94	3,552,292.94	58,437.42	5,062.83
Other Retirement Contributions - Regular	40,000.00	23,500.25	63,500.25	1,124,327.12	0.73
Workmen's Compensation	875,000.00	249,327.12	1,124,327.12	27,289,662.74	302,191.00
Health Benefits	28,721,440.00	(1,129,586.26)	27,591,853.74	152,198.32	9,912.68
Tuition Reimbursements	160,000.00	2,111.00	162,111.00	49,066.49	8,186.51
Other Employee Benefits	71,500.00	(14,247.00)	57,253.00		
Total Unallocated Benefits - Employee Benefits	33,688,080.00	43,045.29	33,731,125.29	34,160,289.09	(429,163.80)
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				22,044,805.00	(22,044,805.00)
NCGL-non-budgeted				251,409.00	(251,409.00)
Post Retirement Medical-non budgeted				6,068,214.00	(6,068,214.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				4,577,225.38	(4,577,225.38)
Long Term Disability Insurance				10,369.00	(10,369.00)
Total TPAF Pension/Social Security				32,952,022.38	(32,952,022.38)
Total Undistributed Expenditures	104,075,067.00	4,555,753.61	108,630,820.61	140,936,230.48	(32,305,409.87)

FRANKLIN TOWNSHIP SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
General Current Expense:	1,500.00	(1,500.00)			
Interest Deposit to Capital Reserve	500.00	(500.00)			
Interest Earned on Maintenance Reserve	2,000.00	(2,000.00)			
Total General Current Expense	164,018,823.00	2,520,089.66	166,538,912.66	198,164,706.95	(31,625,794.29)
TOTAL EXPENDITURES - CURRENT EXPENSE					
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Instruction	15,900.00	4,700.00	4,700.00	4,675.00	25.00
School Administration		1,518.87	17,418.87	17,129.87	289.00
Undistributed-Req. Maint. For Schools		24,885.00	24,885.00	24,885.00	
Undist. Expend. - Care and Upkeep of Grounds		92,316.23	92,316.23	92,315.55	0.68
Undist. Expend. - Student Trans. -Non-Inst. Equip.		41,170.24	41,170.24	15,896.68	25,273.56
Total Equipment	15,900.00	164,590.34	180,490.34	154,902.10	25,588.24
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	166,967.00		166,967.00	166,967.00	
Total Facilities Acquisition and Construction Services	166,967.00		166,967.00	166,967.00	
Assets acquired under installment purchases (non-budgeted)				673,581.83	(673,581.83)
TOTAL CAPITAL OUTLAY	182,867.00	164,590.34	347,457.34	995,450.93	(647,993.59)
Transfer of funds to charter schools	19,643,016.00	25,628.00	19,668,644.00	19,668,644.00	
TOTAL EXPENDITURES	183,844,706.00	2,710,308.00	186,555,014.00	218,828,801.88	(32,273,787.88)

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,197,605.00)	\$ (2,710,308.00)	\$ (3,907,913.00)	\$ (1,702,842.94)	\$ 2,205,070.06
Other financing sources (uses)					
Local Contrib. - Trans to Special Rev- Inclusion	(305,220.00)		(305,220.00)	(305,220.00)	
Capital Reserve - Transfer to Capital Projects	(2,300,000.00)		(2,300,000.00)	(2,714,464.00)	(414,464.00)
Proceeds from Installment Purchases (non-budgeted)				673,581.83	673,581.83
Total other financing sources	(2,605,220.00)		(2,605,220.00)	(2,346,102.17)	259,117.83
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(3,802,825.00)	(2,710,308.00)	(6,513,133.00)	(4,048,945.11)	2,464,187.89
Fund balances, July 1	21,778,562.82		21,778,562.82	21,778,562.82	
Fund balances, June 30	\$ 17,975,737.82	\$ (2,710,308.00)	\$ 15,265,429.82	\$ 17,729,617.71	\$ 2,464,187.89

Recapitulation:

Assigned - year-end encumbrances	\$ 1,191,729.86
Restricted - excess surplus - designated for subsequent year's expenditures	1,502,825.00
Restricted - capital reserve	5,763,696.66
Restricted - maintenance reserve	2,038,086.86
Restricted - emergency reserve	1,000,000.00
Restricted - unemployment	1,466,470.82
Unassigned fund balance	3,766,808.51
Assigned - designated for subsequent years expenditures	1,000,000.00
	<u>17,729,617.71</u>

Reconciliation to governmental funds statements (GAAP):

Prior Year aid payment not recognized on GAAP basis

Fund balance per governmental funds (GAAP)

	(2,053,805.00)
	<u>15,675,812.71</u>



EXHIBIT "C-2"

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2024

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
<b>REVENUES:</b>					
State sources	\$ 12,971,963.00	\$ 671,347.15	\$ 13,643,310.15	\$ 9,441,083.13	\$ (4,202,227.02)
Federal sources	5,904,717.00	3,836,574.37	9,741,291.37	7,859,017.23	(1,882,274.14)
Other sources	310,220.00	2,612,094.87	2,922,314.87	1,246,557.47	(1,675,757.40)
<b>Total revenues</b>	<b>\$ 19,186,900.00</b>	<b>\$ 7,120,016.39</b>	<b>\$ 26,306,916.39</b>	<b>\$ 18,546,657.83</b>	<b>\$ (7,760,258.56)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries - teachers	\$ 2,426,680.00	\$ 886,409.70	\$ 3,313,089.70	\$ 2,626,332.85	\$ 686,756.85
Other salaries for instruction	2,248,862.00	821,456.61	3,070,318.61	2,490,225.41	580,093.20
Purchased professional educational services	1,716,885.00	627,138.05	2,344,023.05	1,845,189.87	498,833.18
Other purchased services	338,027.00	123,473.99	461,500.99	337,540.31	123,960.68
Tuition	1,459,330.00	533,059.52	1,992,389.52	1,992,389.52	
General supplies	1,413,777.00	516,419.88	1,930,196.88	1,042,912.86	887,284.02
Textbooks	95,093.00	34,734.91	129,827.91	59,380.00	70,447.91
<b>Total instruction</b>	<b>\$ 9,698,654.00</b>	<b>\$ 3,542,692.66</b>	<b>\$ 13,241,346.66</b>	<b>\$ 10,393,970.82</b>	<b>\$ 2,847,375.84</b>
Support services:					
Personal services - salaries	\$ 3,339,871.00	\$ 1,219,976.75	\$ 4,559,847.75	\$ 1,946,912.46	\$ 2,612,935.29
Personal services - employee benefits	1,381,150.00	504,501.41	1,885,651.41	1,879,178.95	6,472.46
Purchased professional services	3,347,727.00	1,222,847.07	4,570,574.07	3,238,229.26	1,332,344.81
Other purchased services	450,617.00	164,600.26	615,217.26	389,537.42	225,679.84
Supplies and materials	332,827.00	121,574.34	454,401.34	92,489.90	361,911.44
Miscellaneous expenditures	941,274.00	343,823.90	1,285,097.90	869,468.16	415,629.74
<b>Total support services</b>	<b>\$ 9,793,466.00</b>	<b>\$ 3,577,323.73</b>	<b>\$ 13,370,789.73</b>	<b>\$ 8,415,816.15</b>	<b>\$ 4,954,973.58</b>
<b>Total expenditures</b>	<b>\$ 19,492,120.00</b>	<b>\$ 7,120,016.39</b>	<b>\$ 26,612,136.39</b>	<b>\$ 18,809,786.97</b>	<b>\$ 7,802,349.42</b>
Other Financing Sources (Uses):					
Transfer from General Fund	305,220.00		305,220.00	305,220.00	
<b>Total Other Financing Sources (Uses)</b>	<b>305,220.00</b>		<b>305,220.00</b>	<b>305,220.00</b>	
<b>Total expenditures and other financing sources (uses)</b>	<b>19,186,900.00</b>	<b>7,120,016.39</b>	<b>26,306,916.39</b>	<b>18,504,566.97</b>	<b>7,802,349.42</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0.00-	\$ -0.00-	\$ -0.00-	\$ 42,090.86	\$ 42,090.86
Fund Balance, July 1				\$ 292,193.00	
Fund Balance, June 30				\$ 334,283.86	
Recapitulation of Balance: Restricted:					
Student Activities & Scholarship Funds				\$ 334,283.86	

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 217,125,958.94	\$ 18,546,657.83
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized:		
Add prior year encumbrances		1,424,958.16
Less prior year encumbrances canceled		(773,534.93)
Less current year encumbrances		(512,307.12)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,428,207.00	776,564.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,053,805.00)	(902,225.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>216,500,360.94</u>	\$ <u>18,560,112.94</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$ 218,828,801.88	\$ 18,504,566.97
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized:		
Add prior year encumbrances		1,424,958.16
Less prior year encumbrances canceled		(773,534.93)
Less current year encumbrances		(512,307.12)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes		305,220.00
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>218,828,801.88</u>	\$ <u>18,948,903.08</u>

**REQUIRED SUPPLEMENTARY INFORMATION – Part III**

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Measurement Date Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a Percentage of It's Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.2273900000%	\$ 42,572,869	\$ 15,284,217.00	278.54%	52.08%
2015	0.2274400000%	51,054,809	15,250,010.00	334.79%	47.92%
2016	0.2179600000%	64,552,217	15,066,990.00	428.43%	40.14%
2017	0.2223500000%	51,759,670	15,140,829.00	341.85%	48.10%
2018	0.2309000000%	45,462,208	15,947,892.00	285.07%	53.60%
2019	0.2261400000%	40,746,829	15,942,681.00	255.58%	56.27%
2020	0.2337100000%	38,113,383	16,458,036.00	231.58%	58.32%
2021	0.2366800000%	28,038,002	17,124,714.00	163.73%	70.33%
2022	0.2045032350%	30,862,353	15,180,586.00	203.30%	62.91%
2023	0.2291070369%	33,184,720	17,276,313.00	192.08%	65.23%

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2015	\$ 1,675,625	\$ 1,675,625	-0-	\$ 15,250,010.00	10.99%
2016	1,874,537	1,874,537	-0-	15,066,990.00	12.44%
2017	1,955,339	1,955,339	-0-	15,140,829.00	12.91%
2018	1,936,287	1,936,287	-0-	15,947,892.00	12.14%
2019	2,059,841	2,059,841	-0-	15,942,681.00	12.92%
2020	2,296,666	2,296,666	-0-	16,458,036.00	13.95%
2021	2,199,678	2,199,678	-0-	17,124,714.00	12.85%
2022	2,556,766	2,556,766	-0-	15,180,586.00	16.84%
2023	2,771,769	2,771,769	-0-	17,276,313.00	16.04%
2024	2,578,884	2,578,884	-0-	17,147,872.00	15.04%

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION ANNUITY FUND  
LAST TEN YEARS

Measurement Date Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Proportion Share of the Net Pension Liability (Asset) as a Percentage of It's Covered- Employee Payroll	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District as a Percentage of It's Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.5235692980%	279,830,750.00	-0-	540.51%	33.64%
2015	0.5291116056%	334,421,129.00	-0-	644.49%	28.71%
2016	0.5153459460%	405,403,933.00	-0-	781.01%	22.33%
2017	0.5170649510%	348,623,835.00	-0-	653.19%	25.41%
2018	0.5335064393%	339,405,337.00	-0-	614.32%	26.49%
2019	0.5271359521%	323,508,309.00	-0-	591.16%	26.95%
2020	0.5192367995%	341,911,185.00	-0-	597.41%	24.60%
2021	0.5322898255%	255,899,338.00	-0-	440.31%	35.52%
2022	0.5273253411%	272,070,429.00	-0-	454.30%	32.29%
2023	0.5182742329%	264,489,177.00	-0-	450.12%	34.68%

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART III  
FOR HE FISCAL YEAR ENDED JUNE 30, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12



**REQUIRED SUPPLEMENTARY INFORMATION – Part IV**

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN  
PENSIONS (GASB 75)**

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN YEARS

	Measurement Date Ended June 30,					
	2023	2022	2021	2020	2019	2018
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at 6/30	\$244,893,965	\$295,702,260	\$337,001,889	\$205,060,604	\$221,658,545	\$255,146,733
Changes for the year:						
Service cost	11,442,549	15,713,877	8,762,396	10,087,257	9,572,781	10,648,611
Interest	9,068,075	6,489,959	7,670,826	7,431,464	8,831,577	9,413,944
Changes of benefit terms			(314,747)			
Differences between expected and actual experience	(1,609,031)	(1,094,859)	(61,863,463)	(58,552,999)	(31,951,604)	(22,392,077)
Changes in assumptions or other inputs	518,969	(65,694,994)	291,732	61,558,671	3,057,470	(25,436,444)
Membership Contributions	232,378	206,230	(6,042,470)	(5,866,938)	(6,294,749)	(5,927,077)
Benefit payments - Net	(7,088,715)	(6,428,508)	196,097	177,832	186,584	204,855
Net changes	12,584,225	(50,808,295)	(51,299,629)	14,835,287	(16,597,941)	(13,176,429)
Balance at 6/30	\$257,478,190	\$244,893,965	\$295,702,260	\$337,001,889	\$205,060,604	\$221,658,545
Covered Employee Payroll	76,035,392	75,067,875	105,800,246	73,690,231	70,667,156	71,196,604
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the District as a percentage of the District's Covered Employee Payroll	338.63%	322.08%	393.91%	318.53%	278.27%	313.67%
						358.37%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
NOTE TO RSI IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Change in benefit terms:     None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability  
in their respective accounting periods:

Measurement	
Date Ending	Discount
<u>June 30,</u>	<u>Rate</u>
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

**OTHER SUPPLEMENTARY INFORMATION**

<b>SPECIAL REVENUE FUND DETAIL STATEMENTS</b>
---

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Title I	Title II Part A	Title III	Title III Immigrant	Title IV	Perkins	IDEA Basic	IDEA Preschool
<b>REVENUES:</b>								
State sources	\$1,068,955.20	\$214,064.17	\$170,523.77	\$6,404.68	\$92,728.63	\$17,195.21	\$2,179,251.75	\$84,003.21
Federal sources								
Other sources								
<b>Total revenues</b>	<u>1,068,955.20</u>	<u>214,064.17</u>	<u>170,523.77</u>	<u>6,404.68</u>	<u>92,728.63</u>	<u>17,195.21</u>	<u>2,179,251.75</u>	<u>84,003.21</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries - teachers	42,980.45					832.00		58,815.25
Other salaries for instruction	368,287.84	43,670.00	49,598.92		21,786.00	6,000.00	336,797.10	
Purchased professional educational services	68,004.32	103,066.39					317,923.00	
Other purchased services		10,241.06						
Tuition							1,332,886.52	
General supplies	223,322.62	26,133.87	1,419.89	6,404.68	29,624.00	7,686.56	6,999.93	
Textbooks								
<b>Total instruction</b>	<u>702,605.23</u>	<u>183,111.32</u>	<u>51,018.81</u>	<u>6,404.68</u>	<u>51,410.00</u>	<u>14,518.56</u>	<u>1,994,506.55</u>	<u>58,815.25</u>
Support services:								
Personal services - salaries	131,436.39		57,904.19				10,051.78	
Personal services - employee benefits	40,181.53	3,434.24	8,219.30		1,666.63	63.65	51,335.67	25,187.96
Purchased professional services	106,170.00	27,518.61	18,000.00		37,000.00	978.00	123,357.75	
Other purchased services	27,171.00		35,381.47			1,635.00		
Supplies and materials	61,391.05				2,652.00			
Miscellaneous expenditures								
<b>Total support services</b>	<u>366,349.97</u>	<u>30,952.85</u>	<u>119,504.96</u>		<u>41,318.63</u>	<u>2,676.65</u>	<u>184,745.20</u>	<u>25,187.96</u>
<b>Total expenditures</b>	<u>1,068,955.20</u>	<u>214,064.17</u>	<u>170,523.77</u>	<u>6,404.68</u>	<u>92,728.63</u>	<u>17,195.21</u>	<u>2,179,251.75</u>	<u>84,003.21</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>
<b>Fund Balance, July 1</b>								
<b>Fund Balance, June 30</b>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>

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FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ACSERS	H.I.I.	ARP ESSER III Summer	ARP ESSER III After School	ARP ESSER III	ARP ESSER III Instruction	ESSER II CR Corona Response	ESSER II Learning Acceleration
REVENUES:								
State sources	\$659,503.00	\$305,999.47	\$37,258.41	\$33,188.00	\$1,644,986.96	\$381,751.06	\$920,046.47	\$43,157.24
Federal sources								
Other sources								
Total revenues	659,503.00	305,999.47	37,258.41	33,188.00	1,644,986.96	381,751.06	920,046.47	43,157.24
EXPENDITURES:								
Instruction:								
Salaries - teachers		7,431.00	32,783.70			928.00	788,360.00	13,111.50
Other salaries for instruction					577,433.54			
Purchased professional educational services		296,000.00			327,299.25			
Other purchased services								
Tuition	659,503.00		1,966.78		554,018.96	73,932.63		5,514.74
General supplies								
Textbooks								
Total instruction	659,503.00	305,431.00	34,750.48		1,458,751.75	74,860.63	788,360.00	18,626.24
Support services:								
Personal services - salaries				30,829.54	33,000.54	125,903.58	100,378.00	18,865.00
Personal services - employee benefits				2,358.46		9,702.62	31,306.47	5,866.00
Purchased professional services		568.47	2,507.95					
Other purchased services					153,234.67	170,641.63		
Supplies and materials						642.60		
Miscellaneous expenditures								
Total support services		568.47	2,507.95	33,188.00	186,235.21	306,890.43	131,686.47	24,531.00
Total expenditures	659,503.00	305,999.47	37,258.41	33,188.00	1,644,986.96	381,751.06	920,046.47	43,157.24
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1								
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

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FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Preschool Aid	SDA Emergent Capital	Nursing	Textbook	Non-Public	Technology	Security	Ch 192 Comp. Education	Ch 193 Examination & Class.
REVENUES:									
State sources	\$9,080,073.97	\$176,451.16	\$142,039.00	\$59,380.00		\$51,870.00	\$98,115.00	\$54,486.00	\$38,960.00
Federal sources									
Other sources	305,220.00								
Total revenues	9,385,293.97	176,451.16	142,039.00	59,380.00		51,870.00	98,115.00	54,486.00	38,960.00
EXPENDITURES:									
Instruction:									
Salaries - teachers	2,467,822.45								
Other salaries for instruction	868,604.05								
Purchased professional educational services	44,464.62		142,039.00			51,870.00	98,115.00	54,486.00	38,960.00
Other purchased services									
Tuition									
General supplies	67,520.61								
Textbooks				59,380.00					
Total instruction	3,449,411.73		142,039.00	59,380.00		51,870.00	98,115.00	54,486.00	38,960.00
Support services:									
Personal services - salaries	1,438,543.44								
Personal services - employee benefits	1,696,976.00								
Purchased professional services	2,731,134.90								
Other purchased services	1,473.65								
Supplies and materials	2,054.25								
Miscellaneous expenditures	66,698.00	176,451.16							
Total support services	5,936,882.24	176,451.16							
Total expenditures	9,385,293.97	176,451.16	142,039.00	59,380.00		51,870.00	98,115.00	54,486.00	38,960.00
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	\$-0-		\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1									
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-		\$-0-	\$-0-	\$-0-	\$-0-

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FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Ch. 193 Corrective Speech	Ch. 193 Supp. Instruction	STUDENT ACTIVITIES	LOCAL PROGRAMS	TOTAL
REVENUES:					
State sources	\$17,670.00	\$27,258.00			\$9,746,303.13
Federal sources					7,859,017.23
Other sources			\$668,409.86	\$272,927.61	1,246,557.47
Total revenues	<u>17,670.00</u>	<u>27,258.00</u>	<u>668,409.86</u>	<u>272,927.61</u>	<u>18,851,877.83</u>
EXPENDITURES:					
Instruction:					
Salaries - teachers				14,740.00	2,626,332.85
Other salaries for instruction					2,490,225.41
Purchased professional educational services					1,845,189.87
Other purchased services	17,670.00	27,258.00			337,540.31
Tuition					1,992,389.52
General supplies				38,367.61	1,042,912.86
Textbooks					59,380.00
Total instruction	<u>17,670.00</u>	<u>27,258.00</u>		<u>53,107.61</u>	<u>10,393,970.82</u>
Support services:					
Personal services - salaries					1,946,912.46
Personal services - employee benefits					1,879,178.95
Purchased professional services				194,070.00	3,238,229.26
Other purchased services					389,537.42
Supplies and materials			626,319.00	25,750.00	92,489.90
Miscellaneous expenditures					869,468.16
Total support services			<u>626,319.00</u>	<u>219,820.00</u>	<u>8,415,816.15</u>
Total expenditures	<u>17,670.00</u>	<u>27,258.00</u>	<u>626,319.00</u>	<u>272,927.61</u>	<u>18,809,786.97</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$-0-</u>	<u>\$-0-</u>	<u>42,090.86</u>	<u>\$-0-</u>	<u>\$42,090.86</u>
Fund Balance, July 1			292,193.00		292,193.00
Fund Balance, June 30	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$334,283.86</u>	<u>\$-0-</u>	<u>\$334,283.86</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 3,117,178.00	\$ 2,467,822.45	\$ 649,355.55
Other salaries - instruction	1,240,946.00	868,604.05	372,341.95
Purchased professional services	75,000.00	44,464.62	30,535.38
Other purchased services	61,500.00		61,500.00
General supplies	495,940.00	67,520.61	428,419.39
Total instruction	4,990,564.00	3,448,411.73	1,542,152.27
Support services:			
Salaries - supervisors of instruction	151,360.84	151,360.13	1.00
Salaries - program directors	101,869.00	101,869.00	-
Salaries - other professional staff	360,678.00	360,677.89	0.11
Salaries - secretarial and clerical	353,586.16	353,585.64	0.52
Other salaries	366,441.00	366,440.25	0.75
Salaries - community parent involvement spec	125,065.00	2,200.00	122,865.00
Salaries - master teachers	405,471.00	102,410.53	303,060.47
Benefits	1,696,978.00	1,696,978.00	-
Purchased Educational Services- Contracted Pre-K	2,955,818.00	2,731,134.90	224,683.10
Other Purchased Professional Educational Services	50,000.00		50,000.00
Rentals	971,613.00		971,613.00
Contr Serv-Trans (Bet. Home & School)	83,408.00		83,408.00
Contr Serv-Trans (Field Trips)	50,000.00		50,000.00
Travel	30,000.00	1,473.65	28,526.35
Supplies and Materials	150,000.00	8,864.25	141,135.75
Other Objects	60,000.00	59,888.00	112.00
Total support services	7,912,288.00	5,936,882.24	1,975,406.05
Facilities acquisition and construction services:			
Equipment - Instructional	83,190.00	-	83,190.00
Equipment - Non-Instructional	6,810.00	-	6,810.00
Total facilities acquisition and construction services	90,000.00	-	90,000.00
Total expenditures	\$ 12,992,852.00	\$ 9,385,293.97	\$ 3,607,558.32

CALCULATION OF BUDGET AND CARRYOVER

Total 2023-2024 Pre-K/ECPA Allocation	\$ 8,996,621.00
Add: Actual ECPA Carryover (June 30, 2023)	5,899,051.00
Add: Prior Year Cancelled Payables- Pre-K	-
Add: Budgeted Transfer From General Fund	305,220.00
Total Funds Available for 2023-2024 Budget	15,200,892.00
Less: 2023-2024 Budgeted Pre-K (including prior year carryover)	(12,992,852.00)
Available & Unbudgeted Pre-K Funds as of June 30, 2024	\$ 2,208,040.00
Add: June 30, 2024 Unexpended Pre-K	3,607,558.32
2023-2024 Actual Carryover - Pre-K	\$ 5,815,598.32
2023-2024 Pre-K Carryover Budgeted in 2024-2025	\$ 2,208,040.00

<b>CAPITAL PROJECTS FUND DETAIL STATEMENTS</b>
--

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.

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

## REVENUES AND OTHER FINANCING SOURCES:

Transfer In-Capital Reserve	\$ <u>2,714,464.00</u>
-----------------------------	------------------------

Total revenues and other financing sources	\$ <u>2,714,464.00</u>
--	------------------------

## EXPENDITURES AND OTHER FINANCING USES:

Capital outlay	
Other purchased professional and technical services	\$ 40,729.17

Construction services	1,511,921.96
-----------------------	--------------

Transfer Out-Debt Service	<u>5,038.00</u>
---------------------------	-----------------

Total expenditures and other financing uses	\$ <u>1,557,689.13</u>
---	------------------------

Excess (deficiency) of revenues over (under) expenditures	\$ 1,156,774.87
---	-----------------

Fund balance - July 1	<u>1,231,140.00</u>
-----------------------	---------------------

Fund balance - June 30	<u><u>\$ 2,387,914.87</u></u>
------------------------	-------------------------------

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - FY 24 VARIOUS CAPITAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Capital Reserve	\$ _____	\$ 2,300,000.00	\$ 2,300,000.00	\$ 2,300,000.00
Total revenues and other financing sources	\$ _____	\$ 2,300,000.00	\$ 2,300,000.00	\$ 2,300,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ _____	\$ 40,729.17	\$ 40,729.17	\$ 53,200.00
Construction services	_____	443,419.38	443,419.38	2,246,800.00
Total expenditures and other financing uses	\$ _____	\$ 484,148.55	\$ 484,148.55	\$ 2,300,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ 1,815,851.45	\$ 1,815,851.45	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized (adjusted)				
Debt issued				
Original authorized cost		\$2,300,000.00		
Additional authorized cost				
Revised authorized cost		\$2,300,000.00		
Percentage increase over original authorized cost				
Percentage completion		21.05%		

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - FY 23 VARIOUS CAPITAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer From Capital Reserve	\$ 3,800,000.00	\$	\$ 3,800,000.00	\$ 3,800,000.00
Total revenues and other financing sources	\$ 3,800,000.00	\$	\$ 3,800,000.00	\$ 3,800,000.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services	\$ 213,399.00	\$	\$ 213,399.00	213,399.00
Construction services	2,248,003.00	635,691.40	2,883,694.40	3,234,802.00
Equipment	351,799.00		351,799.00	351,799.00
Total expenditures and other financing uses	\$ 2,813,201.00	\$ 635,691.40	\$ 3,448,892.40	\$ 3,800,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 986,799.00	\$ (635,691.40)	\$ 351,107.60	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number				
Grant date				
Debt authorization date				
Debt authorized (adjusted)				
Debt issued				
Original authorized cost	\$3,800,000.00			
Additional authorized cost				
Revised authorized cost	\$3,800,000.00			
Percentage increase over original authorized cost				
Percentage completion		90.76%		

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - FY 22 VARIOUS CAPITAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer From Capital Reserve	\$ 3,600,000.00	\$	\$ 3,600,000.00	\$ 3,600,000.00
Total revenues and other financing sources	\$ 3,600,000.00	\$	\$ 3,600,000.00	\$ 3,600,000.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased professional and technical services	\$ 32,503.00	\$	\$ 32,503.00	\$ 88,800.00
Construction services	3,212,624.00	35,200.00	3,247,824.00	3,236,649.00
Equipment	274,002.00		274,002.00	274,551.00
Total expenditures and other financing uses	\$ 3,519,129.00	\$ 35,200.00	\$ 3,554,329.00	\$ 3,600,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 80,871.00	\$ (35,200.00)	\$ 45,671.00	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project number				
Grant date				
Debt authorization date				
Debt authorized				
Debt issued				
Original authorized cost	\$3,600,000.00			
Additional authorized cost				
Revised authorized cost	\$3,600,000.00			
Percentage increase over original authorized cost				
Percentage completion	98.73%			



FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS  
BUDGETARY BASIS - FY 21 & PRIOR VARIOUS CAPITAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Food Service	\$ 284,150.00	\$	\$ 284,150.00	\$ 284,150.00
Transfer From Capital Outlay	1,158,091.00		1,158,091.00	1,158,091.00
Transfer From Capital Projects	9,317,072.00		9,317,072.00	9,317,072.00
Total revenues and other financing sources	\$ 10,759,313.00	\$	\$ 10,759,313.00	\$ 10,759,313.00
EXPENDITURES AND OTHER FINANCING USES:				
Legal services	\$	\$	\$	\$
Purchased professional and technical services	450,243.00		450,243.00	450,243.00
Other purchased services				
Construction services	9,279,421.00	397,611.18	9,677,032.18	9,852,317.00
Equipment	175,676.00		175,676.00	175,676.00
Transfer to other projects	281,077.00		281,077.00	281,077.00
Total expenditures and other financing uses	\$ 10,186,417.00	\$ 397,611.18	\$ 10,584,028.18	\$ 10,759,313.00
Excess (deficiency) of revenues over (under) expenditures	\$ 572,896.00	\$ (397,611.18)	\$ 175,284.82	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized				
Debt issued				
Original authorized cost	\$10,759,313.00			
Additional authorized cost				
Revised authorized cost	\$10,759,313.00			
Percentage increase over original authorized cost				
Percentage completion	98.37%			

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

ISSUE / PROJECT TITLE	ORIGINAL DATE	APPROPRIATION	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2024
			PRIOR YEARS	CURRENT YEAR *	
FY 24 Various Capital Improvements	FY 24	\$ 2,300,000.00	\$	484,148.55	\$ 1,815,851.45
FY 23 Various Capital Improvements	FY 23	3,800,000.00	2,813,201.00	635,691.40	351,107.60
FY 22 Various Capital Improvements	FY 22	3,600,000.00	3,519,129.00	35,200.00	45,671.00
FY 21 & Prior Various Capital Improvements	FY 21	10,759,313.00	10,186,417.00	397,611.18	175,284.82
		\$ 20,459,313.00	\$ 16,518,747.00	\$ 1,552,651.13	\$ 2,387,914.87

\* - includes adjustments for closed projects, if applicable

<b>LONG-TERM LIABILITY SCHEDULES</b>
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The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchase Agreements

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
LONG-TERM LIABILITY  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2024

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2023</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2024</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds	6/25/09	\$ 24,970,000.00	8/15/24	\$ 2,220,000.00		45,000.00	45,000.00	
	5/26/16	8,700,000.00	8/15/25	2,180,000.00	3.000%	8,700,000.00	2,160,000.00	6,540,000.00
			8/15/26	2,140,000.00	3.000%			
					4.000%			
Refunding School Bonds	7/7/21	56,420,000.00	2/1/25	4,510,000.00	0.940%			
			2/1/26	4,555,000.00	1.090%			
			2/1/27	4,610,000.00	1.348%			
			2/1/28	4,680,000.00	1.498%			
			2/1/29	4,755,000.00	1.623%			
			2/1/30	4,845,000.00	1.723%			
			2/1/31	4,840,000.00	1.823%			
			2/1/32	4,780,000.00	2.003%			
			2/1/33	4,725,000.00	2.103%			
			2/1/34	4,665,000.00	2.223%			
			2/1/35	4,610,000.00	2.323%			
						\$ 56,050,000.00	\$ 4,475,000.00	\$ 51,575,000.00
						\$ 64,795,000.00	\$ 6,680,000.00	\$ 58,115,000.00

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS  
AS OF JUNE 30, 2024

<u>PURPOSE</u>	<u>DATE OF CONTRACT</u>	<u>TERM IN YEARS</u>	<u>BALANCE JUNE 30, 2023</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2024</u>
ESIP	11/13/14	20	\$ 5,613,000.00	\$	\$ 338,000.00	\$ 5,275,000.00
ChromeBooks	6/15/21	4		512,764.30	255,202.20	257,562.10
MacBooks	7/15/21	3	654,599.00		327,299.25	327,299.75
ChromeBooks	6/1/22	3	849,898.00		276,278.59	573,619.41
Server Upgrade	8/15/22	4	266,370.00		62,764.79	203,605.21
Copier	7/12/23	5		135,207.35	20,434.82	114,772.53
Copier	11/30/23	5		25,610.18	1,850.97	23,759.21
			<u>\$ 7,383,867.00</u>	<u>\$ 673,581.83</u>	<u>\$ 1,281,830.62</u>	<u>\$ 6,775,618.21</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 6,569,014.00	\$ 6,569,014.00	\$
State Sources:			
Debt Service Aid	<u>856,562.00</u>	<u>856,562.00</u>	<u></u>
Total Revenues	\$ <u>7,425,576.00</u>	\$ <u>7,425,576.00</u>	\$ <u></u>
EXPENDITURES:			
Regular Debt Service:			
Interest	\$ 1,181,005.00	\$ 1,181,005.00	\$
Redemption of Principal	<u>6,680,000.00</u>	<u>6,680,000.00</u>	<u></u>
Total Debt Service	\$ <u>7,861,005.00</u>	\$ <u>7,861,005.00</u>	\$ <u></u>
Total Expenditures	\$ <u>7,861,005.00</u>	\$ <u>7,861,005.00</u>	\$ <u></u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (435,429.00)	\$ (435,429.00)	\$
Other Financing Sources:			
Operating Transfers In	<u></u>	<u>5,038.00</u>	<u>5,038.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures		\$ (430,391.00)	
Fund Balance, July 1		<u>435,429.00</u>	
Fund Balance, June 30		\$ <u><u>5,038.00</u></u>	

**STATISTICAL SECTION**  
**(UNAUDITED)**

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.



FRANKLIN TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Governmental activities</b>										
Net investment in capital assets										
Restricted	\$53,673,370	\$64,955,227	\$59,838,205	\$57,367,427	\$50,024,411	\$44,040,614	\$62,613,681	\$51,827,177	\$48,328,719	\$41,256,919
Unrestricted	13,140,032	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678	14,424,083
Unrestricted (deficit)	(36,393,972)	(39,083,316)	(41,117,324)	(47,331,208)	(52,072,020)	(50,110,540)	(46,286,757)	(43,909,435)	(40,364,250)	(40,472,737)
Total governmental activities net position	\$30,419,430	\$43,814,657	\$32,738,678	\$27,391,200	\$14,980,887	\$7,010,406	\$31,782,205	\$25,962,566	\$20,348,147	\$15,208,265
<b>Business-type activities</b>										
Net investment in capital assets										
Unrestricted	\$437,614	\$361,727	\$658,225	\$710,768	\$757,576	\$624,205	\$805,981	\$814,088	\$418,684	\$444,798
Unrestricted	4,454,312	4,492,724	4,258,753	1,764,036	1,033,870	1,181,260	(696,702)	(1,217,275)	(1,061,651)	(1,234,507)
Unrestricted	\$4,891,926	\$4,854,451	\$4,916,978	\$2,474,804	\$1,791,446	\$1,805,465	\$109,279	(\$403,187)	(\$642,967)	(\$789,709)
Total business-type activities net position										
<b>District-wide</b>										
Net investment in capital assets										
Restricted	\$54,110,984	\$65,316,954	\$60,496,430	\$58,078,195	\$50,781,987	\$44,664,819	\$63,419,662	\$52,641,265	\$48,747,403	\$41,701,717
Unrestricted	13,140,032	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678	14,424,083
Unrestricted (deficit)	(31,939,659)	(34,590,592)	(36,858,571)	(45,587,172)	(51,038,150)	(48,929,280)	(46,983,459)	(45,126,710)	(41,425,901)	(41,707,244)
Total district net position	\$35,311,357	\$48,669,108	\$37,655,656	\$29,866,004	\$16,772,333	\$8,815,871	\$31,891,484	\$25,559,379	\$19,705,180	\$14,418,556

Source: ACFR Schedule A-1

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>EXPENSES</b>										
Governmental activities										
Instruction:										
Regular	\$61,162,780	\$37,146,396	\$86,351,899	\$89,174,956	\$80,580,044	\$82,813,828	\$82,444,687	\$78,178,024	\$73,391,280	\$65,459,896
Special education	39,153,652	19,278,731	32,455,782	37,280,395	32,483,731	30,753,643	32,967,859	32,397,349	30,163,329	30,420,992
Other Special Education		5,747,321	9,276,817	9,368,249	8,602,534	8,976,461	8,350,055	8,437,515	4,264,395	6,549,875
Other instruction		1,854,208	3,061,507	2,522,719	2,576,587	2,672,974	2,804,768	2,784,142	3,176,903	2,387,505
Nonpublic school programs										
Support Services:										
Tuition		6,648,875	-	-	-	-	-	-	-	-
Student & instruction related services	37,027,599	30,836,532	25,193,526	24,315,008	24,335,526	25,575,140	25,286,241	23,648,296	21,534,055	18,343,728
School administrative services	9,227,117	5,912,007	9,269,729	10,323,389	9,556,210	9,576,676	9,386,829	9,044,353	8,048,181	8,091,290
Other Administrative Services	7,470,274.24	2,910,200	3,023,851	2,860,450	2,912,838	2,714,208	2,959,436	2,602,963	2,519,964	2,268,730
Plant operations and maintenance	17,646,930	12,370,245	23,383,794	19,522,304	19,755,290	23,154,959	18,678,318	17,727,151	17,306,672	16,484,904
Student transportation services	19,344,019	16,337,371	15,528,748	11,374,087	12,764,018	13,316,912	14,050,861	14,113,143	13,746,290	14,119,145
Unallocated Benefits		44,894,055	-	-	-	-	-	-	-	-
Transfer to Charter Schools		19,149,591	-	-	-	-	-	-	-	-
Interest & Other Charges	1,071,011	764,243	2,419,655	2,511,922	3,088,036	3,349,598	3,458,717	3,765,864	3,910,083	2,387,803
Capital Asset Adjustment		1,500	-	-	-	-	-	-	-	-
Unallocated amortization		4,753,930	-	-	-	-	-	-	-	-
Unallocated Depreciation			-	-	-	-	-	-	-	-
Special schools										
Total governmental activities expenses	\$226,999,051	\$208,605,205	\$209,965,307	\$209,255,479	\$196,654,754	\$202,904,399	\$200,387,771	\$192,698,800	\$178,061,152	\$186,513,868
Business-type activities:										
Food Service	\$4,580,487	\$3,931,737	\$5,272,984	\$2,847,126	\$3,087,479	\$3,669,174	\$3,207,889	\$3,679,443	\$3,903,479	\$3,415,527
Child Care	\$231,579,538	\$3,931,737	-	251,344	398,804	1,052,787	818,595	789,480	720,928	827,389
Total business-type activities expense	\$4,580,487	\$3,931,737	\$5,272,984	\$3,098,470	\$3,486,283	\$4,721,961	\$4,026,484	\$4,468,923	\$4,624,407	\$4,242,916
Total district expenses	\$231,579,538	\$212,536,942	\$215,238,291	\$212,351,949	\$200,141,037	\$207,626,360	\$204,414,055	\$197,167,723	\$182,685,569	\$170,756,784
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services										
Instruction(Regular)	\$63,024	-	\$196,376	\$286,149	\$283,417	\$95,455	\$454,345	\$501,492	\$492,641	\$340,224
Pupil Transportation		-	-	\$4,980	\$11,974	\$19,365	\$22,958	\$35,142	\$17,680	\$10,327
Operations and Maintenance		-	-	\$65,649,610	\$49,031,286	\$53,013,409	\$61,786,933	\$55,288,979	\$43,431,077	\$37,566,708
Operating grants and contributions	\$37,363,930	\$39,063,920	\$54,995,220	\$22,485	\$214,128	\$859,068	\$384,562	\$833,578	\$1,966,585	\$681,110
Capital grants and contributions		-	\$977,895	\$65,963,224	\$49,540,805	\$53,977,297	\$62,870,698	\$58,663,232	\$45,935,202	\$38,613,172
Total governmental activities program revenues	\$37,426,954	\$39,063,920	\$56,169,491	\$65,963,224	\$49,540,805	\$53,977,297	\$62,870,698	\$58,663,232	\$45,935,202	\$38,613,172
Business-type activities:										
Charges for services:										
Food Service	\$1,509,194	\$930,072	\$1,635,165	\$938,734	\$786,919	\$1,206,869	\$1,214,783	\$1,273,769	\$1,280,300	\$1,345,128
Child Care		-	132,007	90,954	657,355	757,065	787,705	931,737	875,555	892,225
Operating grants and contributions	3,047,741	3,165,181	6,156,912	2,748,677	2,005,576	2,478,996	2,521,957	2,677,555	2,613,245	2,306,793
Total business type activities program revenues	\$4,556,935	\$4,095,253	\$8,124,084	\$3,778,365	\$3,449,850	\$4,442,930	\$4,524,445	\$4,883,061	\$4,769,100	\$4,544,146
Total district program revenues	\$41,983,888	\$43,159,173	\$64,293,575	\$69,741,589	\$52,990,655	\$58,420,227	\$67,195,141	\$67,546,293	\$50,704,302	\$43,157,318
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	(\$189,572,098)	(\$169,541,285)	(\$153,795,816)	(\$143,290,255)	(\$147,113,949)	(\$148,927,102)	(\$137,717,073)	(\$136,035,568)	(\$132,125,950)	(\$127,900,696)
Business-type activities	\$23,552	\$163,516	\$2,851,100	\$679,895	(\$36,433)	(\$279,031)	\$498,161	\$414,138	\$144,693	\$301,230
Total government-wide net expense	(\$189,595,650)	(\$169,377,769)	(\$150,944,716)	(\$142,610,360)	(\$147,150,382)	(\$149,206,133)	(\$137,218,912)	(\$135,621,430)	(\$131,981,257)	(\$127,599,466)

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Property taxes levied for general purposes	\$157,818,035	\$151,056,310	\$148,096,382	\$145,192,531	\$141,128,111	\$137,531,420	\$132,453,496	\$129,856,369	\$127,310,166	\$124,774,680
Taxes levied for debt service	6,569,014	7,291,332	7,756,914	7,890,853	8,010,008	7,832,968	8,095,840	8,171,550	6,830,644	4,626,751
Federal & State Aid Not Restricted	25,269,563	9,202,253	6,413,239	6,178,020	6,175,145	6,173,944	6,162,208	6,118,413	5,606,723	5,652,255
Federal & State Aid Restricted	-	8,631,867	-	-	-	-	-	-	-	-
Tuition Charges	157,041	-	-	-	-	-	-	-	-	-
Miscellaneous income	2,334,732	2,166,007	672,765	545,117	623,420	1,936,577	635,398	676,348	327,667	985,249
Investment Earnings	-	-	9,707	126,576	539,160	724,612	517,945	607,324	277,087	53,351
Transfers	-	-	413,280	-	-	-	-	179,150	-	-
Total governmental activities	\$191,991,344	\$178,506,610	\$163,362,287	\$159,923,097	\$156,475,844	\$154,199,521	\$147,864,887	\$145,609,154	\$140,352,287	\$136,092,286
Business-type activities:										
Miscellaneous income	\$61,028	\$8,818	\$4,894	\$3,463	\$22,414	\$37,928	\$14,305	\$4,792	\$2,073	\$1,669
Special Items	-	(\$234,861)	-	-	-	-	-	-	-	-
Transfers	-	-	(413,820)	-	-	-	-	(179,150)	-	-
Total business-type activities	\$61,028	(226,043)	(408,926)	3,463	22,414	37,928	14,305	(174,358)	2,073	1,669
Total government-wide	\$192,052,372	\$178,280,567	\$162,953,361	\$159,926,560	\$156,498,258	\$154,237,449	\$147,879,192	\$145,434,796	\$140,354,360	\$136,093,955
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$2,419,246	\$8,965,325	\$9,566,471	\$16,632,842	\$9,361,895	\$5,272,419	\$10,147,814	\$9,573,586	\$8,226,337	\$8,191,590
Business-type activities	37,475	(62,527)	2,442,174	683,358	(14,019)	(241,103)	512,466	239,780	146,766	302,899
Total district	\$2,456,722	\$8,902,798	\$12,008,645	\$17,316,200	\$9,347,876	\$5,031,316	\$10,660,280	\$9,813,366	\$8,373,103	\$8,494,489

Source: ACFR Schedule A-2

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable										
Restricted	\$11,771,079	-	-	-	\$560,940	\$1,841,766	\$12,200	\$12,200	\$21,876	\$35,335
Committed	1,000,000	15,983,984	16,035,058	20,543,544	17,052,241	15,718,429	17,411,830	16,663,302	13,106,296	7,841,547
Assigned	1,191,730	2,013,316	1,577,160	815,901	2,365,147	1,219,687	832,138	253,335	118,255	1,189,076
Unassigned	1,713,004	2,353,056	4,035,111	3,623,344	577,727	694,680	813,838	580,418	284,642	277,833
Total general fund	<u>\$15,675,813</u>	<u>\$20,350,356</u>	<u>\$21,647,329</u>	<u>\$24,982,789</u>	<u>\$20,556,055</u>	<u>\$19,474,562</u>	<u>\$19,764,072</u>	<u>\$17,509,255</u>	<u>\$13,531,069</u>	<u>\$9,343,791</u>
All Other Governmental Funds										
Restricted	\$2,722,199	\$1,958,762	\$1,918,778	\$4,527,267	\$7,175,836	\$8,183,410	\$19,888,865	\$56,933,623	\$80,207,818	\$90,335,118
Unassigned/ (Deficit)	(897,187)	(775,564)	-	(589,826)	(497,877)	-	-	-	-	(82,338)
Total all other governmental funds	<u>\$1,825,012</u>	<u>\$1,183,198</u>	<u>\$1,918,778</u>	<u>\$3,937,441</u>	<u>\$6,677,959</u>	<u>\$8,183,410</u>	<u>\$19,888,865</u>	<u>\$56,933,623</u>	<u>\$80,207,818</u>	<u>\$90,252,780</u>

Source: ACFR Schedule B-1

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Tuition charges	164,387,049	158,349,642	155,853,296	153,073,384	149,138,119	145,364,388	140,549,336	138,027,919	134,140,810	129,401,431
Interest on investment	63,024	157,041	-	-	-	-	-	-	-	-
Interest on capital reserve	-	2,000	9,707	126,576	539,160	724,612	517,945	607,324	277,087	55,351
Rents and royalties	-	43,961	-	-	-	-	-	-	-	-
Miscellaneous	2,334,732	2,534,510	1,293,507	1,076,909	940,844	2,058,835	1,147,666	1,677,775	881,268	1,351,593
State sources	67,422,199	57,484,838	55,861,884	47,260,087	41,780,760	40,512,536	36,199,353	33,483,455	30,928,420	27,934,086
Federal sources	8,279,046	8,631,667	6,060,186	4,504,773	3,255,925	338,584	3,484,233	3,642,261	3,766,543	3,768,046
Total revenue	242,486,050	227,203,659	219,078,582	206,061,729	195,654,808	186,389,965	181,908,533	177,448,734	169,994,128	162,508,507
<b>Expenditures</b>										
Instruction										
Regular instruction	36,300,559	37,146,396	88,170,217	80,359,607	74,198,430	74,343,790	66,453,755	62,041,442	61,155,988	56,856,766
Special education instruction	20,570,906	19,278,731	33,294,392	34,142,889	30,291,516	27,989,359	27,601,435	27,558,120	26,805,432	27,444,933
Other special instruction	-	5,747,321	3,088,189	2,207,402	2,334,780	2,347,837	2,255,080	2,228,508	1,936,144	2,521,611
Other instruction	28,427,236	1,854,208	9,641,090	8,098,514	7,671,057	7,696,343	6,360,406	6,538,363	4,264,542	5,615,190
Support Services:										
Tuition	9,786,700	6,648,875	-	-	-	-	-	-	-	-
Student & instruction related services	29,930,595	30,836,532	25,686,556	22,283,702	23,127,780	23,443,429	21,388,967	20,539,951	20,358,885	17,830,785
School Administrative services	5,825,326	5,912,007	9,618,301	9,204,882	8,833,825	8,484,944	7,439,705	7,244,714	6,968,106	7,306,968
Other administration services	2,088,749.49	2,910,200	2,793,559	2,763,096	2,874,155	2,634,719	2,731,384	2,420,246	2,429,740	2,197,604
Plant operations and maintenance	14,913,839	13,194,983	17,414,803	14,677,034	15,095,317	18,039,493	16,478,657	16,272,328	16,665,237	16,007,608
Student transportation services	18,761,985	16,337,371	15,355,199	11,241,673	12,666,835	13,180,793	13,245,003	13,456,970	13,087,024	13,477,190
Other Support Services	3,064,045	-	3,485,089	3,885,906	2,799,793	3,664,299	3,630,295	3,440,528	2,807,905	3,127,798
Employee Benefits	67,112,311	59,209,351	-	-	-	-	-	-	-	-
Transfer to Charter School	-	19,149,591	-	-	-	-	-	-	-	-
Capital Outlay	2,548,102.06	3,791,374	4,603,471	6,876,304	7,364,709	15,038,020	39,484,936	24,647,177	10,879,891	2,755,435
Debt service:										
Principal	6,680,000	7,647,081	7,677,881	7,210,486	7,082,005	6,920,341	5,915,000	6,691,529	4,085,717	4,035,028
Interest and other charges	1,181,005	1,555,751	2,552,360	2,733,215	3,307,686	3,565,777	3,714,251	3,844,017	4,029,647	1,421,562
Total expenditures	247,181,361	231,219,772	223,320,907	205,684,710	197,847,898	207,269,144	216,698,474	196,923,693	175,959,725	159,812,991
Excess (Deficiency) of revenues over (under) expenditures	(4,705,311)	(4,016,113)	(4,242,325)	377,019	(1,993,090)	(18,290,179)	(34,789,941)	(19,475,159)	(5,965,597)	2,695,516
<b>Other Financing sources (uses)</b>										
Financing Agreement Proceeds	673,582	-	-	-	-	-	-	-	-	7,535,000
Bond proceeds	-	-	-	-	-	-	-	-	-	81,480,000
Refunding Bonds issued	-	-	56,420,000	-	-	-	-	-	8,700,000	-
Payment to refunded bonds escrow agent	-	-	(59,087,298)	-	-	-	-	-	(9,851,130)	-
Original Issue Premium	-	-	-	-	-	-	-	-	1,259,043	-
Transfers in	2,719,502	(3,800,000)	7,016,085	359,537	4,548,213	(382,455)	6,226,843	2,618,928	4,081,918	4,323,252
Transfers out	(2,719,502)	-	(6,602,265)	(3,590,537)	(4,548,213)	382,455	(6,226,843)	(2,439,778)	(4,081,918)	(4,323,252)
Total other financing sources (uses)	673,582	(3,800,000)	(2,253,478)	(3,231,000)	(4,548,213)	382,455	(6,226,843)	179,150	107,813	89,015,000
Net change in fund balances	(4,031,730)	(4,016,113)	(8,495,803)	(2,853,981)	(1,993,090)	(18,290,179)	(34,789,941)	(19,296,009)	(5,857,684)	91,710,516
Debt service as a percentage of noncapital expenditures	3.21%	4.05%	4.68%	5.00%	5.46%	5.42%	5.43%	6.12%	4.92%	3.47%

Source: District Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest On</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Energy Rebates</u> <u>&amp; E-Rate</u>	<u>Tuition</u>	<u>Sale of Computers</u> <u>&amp; Related Supplies</u>	<u>Total</u>
2024	\$534,931	\$621,165	\$98,182	\$63,024		\$1,317,303
2023	210,741	1,349,797	-	196,376	-	1,756,914
2022	8,817	672,765	-	-	-	681,582
2021	121,039	659,256	29,240	-	-	809,535
2020	473,726	356,015	279,379	-	-	1,109,120
2019	593,931	609,172	-	-	\$1,327,405	2,530,508
2018	248,339	746,635	388,066	-	-	1,383,040
2017	109,925	1,069,285	147,738	-	-	1,326,948
2016	44,158	677,078	188,129	-	-	909,365
2015	41,665	1,308,881	40,743	-	-	1,391,289

**FRANKLIN TOWNSHIP SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2024	\$ 123,374,200	\$ 9,688,001,300	\$ 56,551,500	\$ 1,837,800	\$1,891,019,100	\$ 2,150,838,400	\$ 957,710,000	\$ 14,869,332,300	\$ 18,498,600	\$ 14,887,830,900	\$ 1.097	\$ 14,642,375,480
2023	83,883,000	8,860,401,500	54,549,800		1,887,900,000	1,860,367,600	901,370,000	13,648,471,900	18,304,500	13,666,776,400	1.197	10,222,813,930
2022	84,435,400	7,956,574,100	54,689,400		1,787,877,400	1,782,472,800	841,090,900	12,507,140,000	17,540,778	12,524,680,778	1.254	9,543,734,192
2021	107,001,550	7,184,524,300	50,357,400		1,970,700,000	2,998,303,600	735,160,000	13,046,046,850	-	13,046,046,850	1.392	9,228,008,397
2020	161,988,450	6,957,200,600	53,604,200		1,649,645,200	1,035,058,400	684,985,000	10,542,481,850	17,052,879	10,559,534,729	1.431	9,704,425,241
2019	165,171,550	6,768,367,300	53,392,900		1,528,973,200	1,031,841,800	634,045,000	10,181,791,750	16,530,933	10,198,322,683	1.444	9,975,717,738
2018	101,772,150	6,521,617,200	55,014,500		1,498,053,600	1,001,819,500	613,370,000	9,791,647,050	15,544,197	9,807,191,247	1.458	8,630,785,045
2017	99,770,650	6,366,488,100	54,362,100		1,502,516,000	929,682,300	542,940,000	9,495,759,150	14,934,510	9,510,693,660	1.465	8,530,379,254
2016	105,991,250	6,264,115,500	55,385,000		1,439,253,800	892,254,300	474,560,700	9,231,560,550	14,642,198	9,246,202,748	1.472	8,673,235,492
2015	114,843,950	6,108,979,900	55,939,400		1,458,437,700	876,347,100	430,110,700	9,044,658,750	13,834,966	9,058,493,716	1.455	7,893,996,925

Source: District records Tax list summary &amp; 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

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

b Tax rates are per \$100

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Fiscal Year Ended June 30,	Franklin Township Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate w/o Fire District
	Basic Rate <sup>a</sup>	General Obligation	Total Direct	Township of Franklin	County of Somerset	
		Debt Service <sup>b</sup>				
2024	1.053	0.044	1.097	0.337	0.314	1.748
2023	1.197	*	1.197	0.343	0.328	1.868
2022	1.254	*	1.254	0.369	0.347	1.970
2021	1.392	*	1.392	0.400	0.353	2.145
2020	1.431	*	1.431	0.416	0.350	2.197
2019	1.444	*	1.444	0.428	0.360	2.232
2018	1.458	*	1.458	0.358	0.323	2.139
2017	1.465	*	1.465	0.449	0.348	2.262
2016	1.472	*	1.472	0.460	0.349	2.281
2015	1.455	*	1.455	0.462	0.348	2.265

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

\* - Data Not Provided

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

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

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



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

	2024				2015			
	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
	Bridge Pointy Somerset, LLC	\$ 222,000,000	1	1.49%		*	1	
	Somerset Logistics Center	147,000,000	2	0.99%		*	2	
	C1 Somerset	127,808,600	3	0.86%		*	3	
	Azure HGI Somerset LP	101,060,000	4	0.68%		*	4	
	Franklin Greens c/o Fieldstone Prof	100,500,000	5	0.68%		*	5	
	Morgan Stanley MGT/Helen Serlis	97,700,000	6	0.66%		*	6	
	PR KC Somersetownerco, LP Prude	78,057,500	7	0.52%		*	7	
	Ed Somerset LLC	73,900,000	8	0.50%		*	8	
	Green Hill Manor Villa, LLC	71,000,000	9	0.48%		*	9	
	Nissan North America	70,000,000	10	0.47%		*	10	
	Total	\$ 1,089,026,100		7.31%		\$ -		0.00%

Source: District ACFR & Franklin Township Municipal Tax Assessor

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2024	\$ 164,387,049	\$ 164,387,049	100.00%	-
2023	158,349,642	158,349,642	100.00%	-
2022	155,853,296	155,853,296	100.00%	-
2021	153,073,384	153,073,384	100.00%	-
2020	149,138,119	149,138,119	100.00%	-
2019	145,364,388	145,364,388	100.00%	-
2018	140,549,336	140,549,336	100.00%	-
2017	138,027,919	138,027,919	100.00%	-
2016	134,140,810	134,140,810	100.00%	-
2015	129,401,431	129,401,431	100.00%	-

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Installment Purchase Contracts			
2024	\$ 58,115,000	\$ 6,775,618	\$ 64,890,618	*	951.15
2023	64,795,000	7,383,867	72,178,867	0.95%	1,052.51
2022	71,485,000	8,054,578	79,539,578	1.02%	1,162.38
2021	77,845,000	8,370,579	86,215,579	1.16%	1,305.64
2020	83,960,000	8,156,868	92,116,868	1.27%	1,398.85
2019	89,980,000	9,218,873	99,198,873	1.44%	1,508.06
2018	95,815,000	7,009,000	102,824,000	1.58%	1,565.46
2017	101,510,000	7,229,000	108,739,000	1.80%	1,660.42
2016	107,195,000	8,235,529	115,430,529	2.00%	1,767.97
2015	111,360,000	9,101,246	120,461,246	2.22%	1,854.36

Source:

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

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

\* - Not available at time of audit

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 58,115,000	-0-	\$ 58,115,000	0.391%	851.84
2023	64,795,000	-0-	64,795,000	0.47%	944.84
2022	71,485,000	-0-	71,485,000	0.57%	1,044.67
2021	77,845,000	-0-	77,845,000	0.60%	1,178.88
2020	83,960,000	-0-	83,960,000	0.80%	1,274.98
2019	89,980,000	-0-	89,980,000	0.88%	1,367.91
2018	95,815,000	\$203,025.00	95,611,975	0.976%	1,455.66
2017	101,510,000	\$209,062.00	101,300,938	1.07%	1,546.84
2016	107,195,000	\$18,276.00	107,176,724	1.16%	1,641.55
2015	111,360,000	-0-	111,360,000	1.23%	1,714.26

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

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt Apportioned to the Municipality Township of Franklin (1)	\$63,854,764	100.00%	\$63,854,764
Other Debt			
Somerset County (2)	276,384,694	19.92%	55,045,806
Franklin Township Sewerage Authority	22,708,652	100.00%	22,708,652.00
Subtotal, overlapping debt			\$141,609,222
Franklin Township School District Direct Debt			64,795,000
Total direct and overlapping debt			\$206,404,222

Source: (1) Townships's 2023 Annual Debt Statement

(2) The debt for this entity was apportioned to Township by dividing the municipality's equalized value by the total equalized value for the County

(3) Overlapping debt was computed based upon total det of the Authority

(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.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**UNAUDITED**

**Legal Debt Margin Calculation for Calendar Year 2023**

**Equalized Valuation Basis**

**Calendar Year**

2023	\$ 14,340,058,308
2022	13,418,238,386
2021	12,942,303,482
	<u>\$ 40,700,600,176</u>

**Average Equalized Valuation of Taxable Property**

\$	13,566,866,725
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**Debt Limit (4% (a) of average equalization value)**

	542,674,669
--	-------------

**Total Net Debt Applicable to Limit**

	63,854,764
--	------------

**Legal Debt Margin**

\$	<u>478,819,905</u>
----	--------------------

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$542,674,669	\$465,612,466	\$433,596,696	\$417,344,721	\$398,026,233	\$377,640,821	\$363,506,706	\$357,946,605	\$356,377,811	\$362,382,359
Total Net Debt Applicable To Limit	63,854,764	71,485,000	77,845,000	83,960,000	89,980,000	95,611,975	101,300,938	107,176,724	111,360,000	33,145,000
Legal Debt Margin	<u>\$478,819,905</u>	<u>\$394,127,466</u>	<u>\$355,751,696</u>	<u>\$333,384,721</u>	<u>\$308,046,233</u>	<u>\$282,028,846</u>	<u>\$262,205,768</u>	<u>\$250,769,881</u>	<u>\$245,017,811</u>	<u>\$329,237,359</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	11.77%	15.35%	17.95%	20.12%	22.61%	25.32%	27.87%	29.94%	31.25%	9.15%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation  
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

Source: <http://www.state.nj.us/treasury/taxation/tpd/tpvalue.shtml>

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2024	68,223	*	*	*
2023	68,578	7,595,219,234	110,753	4.20%
2022	68,428	7,799,081,300	113,975	5.80%
2021	66,033	7,450,173,225	112,825	8.50%
2020	65,852	7,274,407,032	110,466	3.30%
2019	65,779	6,881,798,980	104,620	3.80%
2018	65,683	6,516,410,430	99,210	4.20%
2017	65,489	6,048,040,128	92,352	4.60%
2016	65,290	5,771,570,710	88,399	4.90%
2015	64,961	5,416,837,946	83,386	5.70%

Source:

(a) Population information provided by the NJ Dept. of Labor and Workforce Development.

(b) Personal income has been estimated based upon the municipal population and per capita personal income presented

(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

\* - Not available at time of audit.

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
UNAUDITED

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	486	489	483	498	494	493	499	497	495	497
Special education	340	336	338	301	298	296	292	286	285	281
Support Services:										
Student & instruction related services	153	154	155	152	152	151	149	147	146	144
General administrative services	6	6	6	6	6	6	6	6	6	6
School administrative services	45	45	45	47	47	47	47	47	46	46
Central services	16	16	16	19	19	19	19	19	19	19
Administrative Information Technology	11	11	11	9	9	11	11	11	11	11
Plant operations and maintenance	142	141	139	147	146	146	146	146	146	146
Pupil transportation	14	15	17	13	15	15	16	19	21	22
Total	1,213	1,213	1,210	1,192	1,186	1,184	1,185	1,178	1,175	1,172

Source: District Personnel Records



FRANKLIN TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2024	8,043	\$ 237,151,671	29,485	14.50%	755	9.26:1	8.01:1	11.6:1	7,027	6,557	-1.35%	93.31%
2023	8,088	208,285,071	25,752	8.25%	752	9.28:1	8.01:1	11.6:1	7,123	6,614	1.67%	92.85%
2022	7,939	188,864,705	23,789	4.95%	748	10.7:1	9.4:1	12.8:1	7,006	6,540	-1.02%	93.35%
2021	7,936	179,896,488	22,668	-0.55%	746	10.6:1	9.4:1	12.8:1	7,078	6,825	0.60%	96.43%
2020	7,977	181,825,006	22,794	6.12%	734	11.0:1	9.0:1	12.0:1	7,036	6,805	0.54%	96.72%
2019	7,802	167,584,287	21,480	-3.81%	789	7.4:1	10.5:1	11.4:1	6,998	6,643	-1.39%	94.93%
2018	7,243	161,741,170	22,331	11.24%	692	7.4:1	10.5:1	11.4:1	7,097	6,736	-1.47%	94.91%
2017	7,819	156,964,470	20,075	0.11%	704	7.6:1	12.2:1	15.2:1	7,203	6,864	-1.30%	95.29%
2016	7,560	151,600,966	20,053	5.94%	665	11.4:1	9.95:1	10.6:1	7,298	6,966	-2.62%	95.45%
2015	7,782	147,307,612	18,929	30.49%	659	11.7:1	10.0:1	10.8:1	7,494	7,144	-15.63%	95.33%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS  
UNAUDITED

District/Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Coneily Road School										
Square Feet	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	435	409	427	343	433	384	361	310	314	314
Elizabeth Ave School										
Square Feet	48,919	48,919	58,159	58,159	58,159	58,159	58,159	58,159	58,159	58,159
Capacity (students)	513	513	513	513	513	513	513	513	513	513
Enrollment	659	617	582	544	531	494	526	548	555	555
Franklin Park School										
Square Feet	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000
Capacity (students)	773	773	773	773	773	773	773	773	773	773
Enrollment *	890	842	786	781	739	670	649	647	660	660
Franklin Park Annex										
Square Feet	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above
Capacity (students)	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above
Enrollment										
Hillcrest School										
Square Feet	52,122	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742
Capacity (students)	488	488	488	488	488	488	488	488	488	488
Enrollment	392	422	429	411	468	418	441	467	476	476
MacAfee Road School										
Square Feet	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	429	413	396	395	418	382	383	395	414	414
Pine Grove Manor										
Square Feet	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	396	385	388	345	381	372	374	394	395	395
Sampson G Smith School										
Square Feet	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,086	1,031	1,027	1,036	855 *	812	772	694	704 *	704
Claremont Elementary										
Square Feet	-	-	-	-	123,665	123,665	123,665	123,665	123,665	123,665
Capacity (students)	-	-	-	-	1,004	1,004	1,004	1,004	1,004	1,004
Enrollment	-	-	-	-	708	691	736	706	652	652

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS  
UNAUDITED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Franklin Middle School										
Square Feet	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553
Capacity (students)	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Enrollment	1,084	1,093	1,042	980	819	686	794	725	731	731
Franklin High School										
Square Feet	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000
Capacity (students)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Enrollment	2,100	2,127	2,090	2,116	2,186	2,204	2,119	2,122	2,201	2,201
* - Enrollments are included in the Administrative Base School										
Number of Schools at June 30, 2024	5,726	5,691	5,558	7,513	7,297	6,912	6,953	6,838	6,862	6,862
Elementary = 7										
Middle School = 2										
High School = 1										
Other = 2										

Source: District Facilities Office

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

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

School Facilities	Project # (\$)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Franklin Twp High School	N/A	196,372	153,225	254,124	170,105	136,703	366,716	184,972	146,216	136,353	221,911
Franklin Middle School	N/A	151,608	118,196	250,752	167,848	105,450	211,493	158,936	73,032	164,207	93,287
Conerly Road School	N/A	31,673	17,202	35,333	23,651	15,347	33,249	43,974	10,527	15,955	30,656
Elizabeth Ave School	N/A	39,505	36,769	31,183	20,873	32,804	37,810	31,295	40,294	17,398	38,394
Franklin Park School	N/A	85,217	70,526	108,198	72,425	62,920	88,455	91,543	88,298	49,990	70,518
Hillcrest School	N/A	38,597	23,485	31,783	21,275	20,952	45,619	68,282	39,808	18,897	36,633
MacAtee Road School	N/A	34,732	40,253	49,969	33,448	35,912	23,168	47,370	14,700	21,035	85,723
Pine Grove Manor School	N/A	36,432	30,264	36,429	24,385	27,000	36,805	20,907	16,420	35,213	89,632
Sampson G. Smith School	N/A	94,571	65,134	74,946	50,167	58,110	95,461	106,047	98,946	44,107	97,752
Claremont Road School	N/A	91,281	29,130	61,363	41,075	25,989	14,817	-	-	-	-
Total School Facilities		799,888	584,184	934,080	625,252	521,187	953,593	753,326	528,241	503,155	764,706
Other Facilities											
Administration Building	N/A	32,668	72,136	51,273	34,321	64,357	11,445	56,417	12,115	42,930	107,302
Maintenance Building	N/A	4,622	22,504	23,417	15,675	20,077	52,639	60,393	3,169	-	58,019
Transportation Trailer	N/A	-	38	-	-	34	-	32	269	-	15,309
Total Other Facilities		37,290	94,678	74,690	49,996	84,468	64,084	116,842	15,553	42,930	180,630
Grand Total		837,278	678,862	1,008,770	675,248	605,655	1,017,677	870,168	543,794	546,085	945,336

Source District Records

**FRANKLIN TOWNSHIP SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2024**  
**(Unaudited)**

**EXHIBIT J-20**

<u><b>WORKERS COMPENSATION</b></u>	<u><b>COVERAGE</b></u>	<u><b>DEDUCTIBLE</b></u>
Excess Workers' Compensation		
Self Insurance Retention		700,000.00
Each Employee for Disease	1,000,000.00	
Employers' Liability Maximijm Limit of Indemnity		
Per Occurrence and Aggregate	1,000,000.00	
Specific Limit Each Accident		
Policy Part One, Workers' Compensation	1,000,000.00	
Policy Part Two, Employers Liability	1,000,000.00	
Specific Limit Each Employee for Disease		
Policy Part One, Workers' Compensation	1,000,000.00	
Policy Part Two, Employers Liability	1,000,000.00	
<u><b>CYBER RISK</b></u>		
Total Limit of Liability		
Sublimits of Liability		
Cyber Liability - Each Event	1,000,000.00	0.00
Privacy Crisis Management Expense	100,000.00	0.00
Cyber Extortion Insurance	20,000.00	0.00
Privacy Crisis Management Expense	100,000.00	0.00
Cyber Extorsion Expense	100,000.00	0.00
<u><b>SCHOOL COMPREHENSIVE GENERAL LIABILITY</b></u>		
National Union Fire Ins. Co.		
Commercial General Liability		
Each Occurrence Limit	1,000,000.00	0.00
Personal and Advertising Limit	1,000,000.00	0.00
Products/Completed Operations Limits	1,000,000.00	0.00
Operation Aggregate, General Aggregate Limits	3,000,000.00	0.00
Fire Legal Liability - any one fire	1,000,000.00	0.00
Medical Payments per Accident	10,000.00	0.00
Medical Payments per Person	10,000.00	
Excluding Medpay Athletics		0.00
Employee Benefit Program Each "Employee"	1,000,000.00	0.00
Employee Benefit Program Aggregate	2,000,000.00	0.00
Sexual Abuse Limit	1,000,000.00	0.00
School Violence Act Death or Dismemberment	1,000,000.00	0.00
<u><b>PHILADELPHIA ENVIRONMENTAL</b></u>		
Per Claim	1,000,000.00	10,000.00
Annual Aggregate	5,000,000.00	

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**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members  
of the Board of Education  
Franklin Township School District  
County of Somerset  
Somerset, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Franklin Township School District, in the County of Somerset, State of New Jersey (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 17, 2025.

***Internal Control Over Financial Reporting***

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



## **SUPLEE, CLOONEY & COMPANY LLC**

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

Our consideration of 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. We did identify certain deficiencies in internal controls that we consider to be material weaknesses, as described in the accompanying schedule of findings and questioned costs as findings 2024-001 and 2024-002.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying *Schedule of Findings and Questioned Costs* as Findings 2024-001 and 2024-002. We also noted other matters that we have reported to the District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated January 17, 2025.

### ***Franklin Township School District's Response to Findings***

The Franklin Township's response to the findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## SUPLEE, CLOONEY & COMPANY LLC

### ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 17, 2025



**SUPLEE, CLOONEY & COMPANY LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE  
AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
Franklin Township School District  
County of Somerset  
Somerset, New Jersey

***Report on Compliance for Each Major Federal and State Program***

***Opinion on Each Major Federal and State Program***

We have audited Franklin Township School District, County of Somerset, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the *Federal OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal and State Program***

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

## **SUPLEE, CLOONEY & COMPANY LLC**

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

### ***Responsibilities of Management for Compliance***

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

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

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

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

## SUPLEE, CLOONEY & COMPANY LLC

### ***Report on Internal Control Over Compliance***

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

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

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

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 17, 2025

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

FEDERAL AL NUMBER	FEDERAL FAN NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2023	ADJUSTMENT	RECEIPTS	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	BALANCE AT JUNE 30, 2024	
				FROM	TO						(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
General Fund												
93 778	2005NLSMAP	N/A	\$393,228.91	07/01/2023	06/30/2024			\$393,228.91	\$393,228.91			
93 778	2005NLSMAP	N/A	26,800.12	07/01/2023	06/30/2024			393,228.91	(26,800.12)			
Total General Fund												
Enterprise Funds												
U.S. Department of Agriculture												
Passed-Through State Department of Agriculture:												
10 555	241N1304N1099	N/A	457,309.09	07/01/2023	06/30/2024	(133,483.00)		457,309.09	(423,583.57)			\$33,715.52
10 555	231N1304N1099	N/A	1,690,969.00	07/01/2022	06/30/2023			133,463.00				
10 555	241N1304N1099	N/A	1,600,647.49	07/01/2023	06/30/2024			1,485,718.93	(1,600,647.49)			(114,928.56)
10 555	24-010-3350-100-116	N/A	166,077.15	07/01/2023	06/30/2024	(61,524.00)		166,077.15	(166,077.15)			
10 555	231N1304N1099	N/A	689,607.00	07/01/2022	06/30/2023			634,809.63	(689,148.97)			(53,336.34)
10 555	241N1304N1099	N/A	686,148.97	07/01/2023	06/30/2024	(194,987.00)		2,938,903.63	(2,976,467.18)			33,715.52
Total Department of Agriculture												
P-EBT Administrative Cost												
10 649	24-010-3350-100-115	N/A	3,256.00	07/01/2023	06/30/2024			3,256.00	(3,256.00)			
10 185	24-010-3350-100-123	N/A	13,043.53	07/01/2023	06/30/2024			13,043.53	(13,043.53)			
LFS- Local Food for Schools Cooperative Program												
Total Enterprise Fund												
Special Revenue Funds												
U.S. Department of Education												
Passed-Through State Department of Education:												
E.S.E.A.:												
84 010	S010A230030	NCLB05523	1,159,730.00	07/01/2022	06/30/2023	(362,668.00)		821,919.34	(459,251.34)			
84 010	S010A240030	NCLB05524	1,105,057.00	07/01/2022	06/30/2024			358,334.42	(699,703.86)			(251,369.44)
84 367A	S367A230029	NCLB05523	197,091.00	07/01/2022	06/30/2023	(82,709.00)		110,321.09	(27,612.09)			
84 367A	S367A240029	NCLB05524	276,691.00	07/01/2023	06/30/2024			82,280.08	(186,452.08)			(104,172.00)
84 365	S365A230030	NCLB05523	173,046.00	07/01/2022	06/30/2023	(21,671.00)		92,700.37	(70,729.37)			
84 365	S365A240030	NCLB05524	248,247.00	07/01/2023	06/30/2024			83,365.21	(99,794.40)			(16,429.19)
84 365	S365A230030	NCLB05523	30,222.00	07/01/2022	06/30/2023	(4,286.00)		4,286.00				(4,285.68)
84 365	S365A240030	NCLB05524	36,838.00	07/01/2023	06/30/2024	(25,258.00)		2,119.00	(23,391.00)			(24,332.00)
84 424	S424A230031	NCLB05523	75,509.00	07/01/2022	06/30/2023			48,649.00	(69,337.63)			(400,508.31)
84 424	S424A240031	NCLB05524	106,470.00	07/01/2023	06/30/2024	(498,892.00)		1,840,060.14	(1,552,676.45)			
Total E.S.E.A.:												
84 048A	V048A220030	100-034-5062-084	22,069.00	07/01/2022	06/30/2023	(2,080.00)		2,080.00				
84 048A	V048A230030	100-034-5062-084	19,902.00	07/01/2023	06/30/2024	(2,080.00)		8,985.21	(17,185.21)			
Total Vocational Perkins Secondary												
Vocational Perkins Secondary												
U.D.E.A. Part B Special Education Cluster:												
84 027A	H027A230100	IDEA05523	2,030,208.00	07/01/2022	06/30/2023	(354,522.00)		354,522.00				
84 027A	H027A240100	IDEA05524	2,236,772.00	07/01/2023	06/30/2024	45,022.70		1,656,968.55	(2,179,251.75)			(477,320.50)
84 173A	H173A230114	IDEA05523	75,724.00	07/01/2022	06/30/2023	(55,057.00)		55,057.00				
84 173A	H173A240114	IDEA05524	96,457.00	07/01/2023	06/30/2024			32,440.26	(84,003.21)			(51,582.95)
Total Special Education Cluster												
U.S. Department of Treasury												
Passed-Through State Department of Education:												
High Impact Tutoring												
21 027	SLPRFD0E1SES	N/A	306,000.00	10/1/23	8/31/24			305,431.00	(305,999.47)			(509.47)
21 027	SLPRFD0E1SES	N/A	1,113,179.00	07/01/2022	06/30/2023	(556,037.00)	3,284.30	552,752.70				
21 027	SLPRFD0E1SES	N/A	659,503.00	07/01/2023	06/30/2024		3,284.30	529,752.30	(659,503.00)			(393,751.00)
Total ESSER II												
ESSER II - Mental Health												
84 425D	S425D210027	21-5120-518	2,583,747.00	03/13/2020	06/30/2023	(340,302.00)		1,258,098.47	(920,048.47)			
84 425D	S425D210027	21-5120-518	195,812.00	03/13/2020	06/30/2023	(122,655.00)		165,812.24	(43,157.24)			
84 425D	S425D210027	21-5120-518	45,000.00	03/13/2020	06/30/2023	(34,900.00)		34,900.00				
Total ESSER II												
American Rescue Plan (ARP):												
84 425U	S425U210027	21-5120-523	5,506,805.00	03/13/2020	06/30/2024	(9,564,829.00)	952.22	4,141,131.89	(1,644,696.98)			(1,067,731.65)
84 425U	S425U210027	21-5120-523	690,345.00	03/13/2020	06/30/2024	(179,274.00)		411,996.80	(381,751.06)			(140,028.26)
84 425U	S425U210027	21-5120-523	46,385.00	03/13/2020	06/30/2024	(9,127.00)		46,243.41	(37,258.41)			(142.00)
84 425U	S425U210027	21-5120-523	86,501.00	03/13/2020	06/30/2024	(88,501.00)		88,500.00				(1.00)
84 425U	S425U210027	21-5120-523	46,385.00	03/13/2020	06/30/2024			20,276.00	(33,188.00)			(12,612.00)
84 425U	S425U210027	21-5120-523		03/13/2020	06/30/2024	(4,339,538.00)	3,202.22	6,166,538.81	(3,060,388.14)			(1,229,815.11)
Total Special Revenue Fund												
									11,113,927.67			
									51,509.22			
									\$51,509.22	\$14,482,357.81	\$-0-	\$33,715.52
										</		

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

FRANKLIN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

STATE GRANT/PROGRAM/TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	FROM	GRANT PERIOD TO	BALANCE AT JUNE 30, 2023		CARRY OVER AMOUNT	REQUEST	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2024		MEMO	
					UNREVENUE (ACCTS RECEIVABLE)	DUE TO GRANTOR						UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education															
State Aid Cluster															
Special Education															
Special Education Categorical Aid	24-495-024-S120-009	\$9,317,005.00	07/01/2023	06/30/2024				\$9,336,794.63	(18,217,005.00)	\$880,210.37				\$880,210.37	\$9,210,005.00
Equalization Aid	24-495-024-S120-078	6,147,194.00	07/01/2023	06/30/2024				5,892,146.05	(6,147,194.00)	587,047.95				587,047.95	6,147,194.00
Security Aid	24-495-024-S120-094	2,760,260.00	07/01/2023	06/30/2024				2,709,865.00	(2,709,865.00)	294,480.53				294,480.53	2,760,260.00
Total State Aid Cluster								\$18,836,150.68	(\$18,133,965.00)	\$1,773,728.85				\$1,773,728.85	\$18,133,965.00
Transportation Aid	24-495-024-S120-014	3,372,685.00	07/01/2023	06/30/2024				3,050,595.85	(3,372,685.00)	322,089.15				322,089.15	3,372,685.00
Non-Public School Transportation Aid	24-495-024-S120-014	246,910.00	07/01/2023	06/30/2024				246,910.00							246,910.00
Non-Public School Transportation Aid	24-495-024-S120-014	246,910.00	07/01/2023	06/30/2024				246,910.00							246,910.00
Extracurricular Aid	24-495-024-S120-044	2,015,147.00	07/01/2023	06/30/2024				2,015,147.00							2,015,147.00
Extracurricular Aid	24-495-024-S120-044	2,456,760.00	07/01/2023	06/30/2024				2,456,760.00							2,456,760.00
Extracurricular Aid	24-495-024-S120-044	300,404.00	07/01/2023	06/30/2024				300,404.00							300,404.00
Homework Tuition	24-495-024-S120-044	6,069,214.00	07/01/2023	06/30/2024				6,069,214.00							6,069,214.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	251,409.00	07/01/2023	06/30/2024				251,409.00							251,409.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	22,344,865.00	07/01/2023	06/30/2024				22,344,865.00							22,344,865.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	10,303.00	07/01/2023	06/30/2024				10,303.00							10,303.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	4,334,334.00	07/01/2023	06/30/2024				4,334,334.00							4,334,334.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	4,577,225.36	07/01/2023	06/30/2024				4,577,225.36							4,577,225.36
Total Special Revenue Fund								\$4,656,802.15	(\$7,570,592.36)	2,053,805.00				\$2,053,805.00	\$4,656,802.15
Capital Projects Fund															
NJ Schools Development Authority	1610-055-14-1006-004	470,290.00	Various	Various				470,290.00							470,290.00
NJ Schools Development Authority	1610-055-14-1006-004	250,000.00	Various	Various				250,000.00							250,000.00
NJ Schools Development Authority	1610-055-14-1006-004	250,000.00	Various	Various				250,000.00							250,000.00
NJ Schools Development Authority	1610-055-14-1006-004	250,000.00	Various	Various				250,000.00							250,000.00
NJ Schools Development Authority	1610-055-14-1006-004	250,000.00	Various	Various				250,000.00							250,000.00
Total Special Revenue Fund								\$4,656,802.15	(\$7,570,592.36)	2,053,805.00				\$2,053,805.00	\$4,656,802.15
Enterprise Fund															
New Jersey Department of Agriculture	24-100-010-S120-023	67,240.00	07/01/2023	06/30/2024				5,433.00							5,433.00
State School Lunch Program	24-100-010-S120-023	66,361.53	07/01/2023	06/30/2024				66,361.53							66,361.53
State School Lunch Program	24-100-010-S120-023	29,581.40	07/01/2023	06/30/2024				29,581.40							29,581.40
State School Lunch Program	24-100-010-S120-023	47,262.00	07/01/2023	06/30/2024				47,262.00							47,262.00
State Reduced School Breakfast Program	24-100-010-S120-023	45,536.30	07/01/2023	06/30/2024				45,536.30							45,536.30
State Reduced School Breakfast Program	24-100-010-S120-023	11,092.75	07/01/2023	06/30/2024				11,092.75							11,092.75
Total Enterprise Fund								\$11,344.86	(\$12,873.98)					\$11,344.86	\$11,344.86
Special Revenue Fund															
State Department of Education	24-100-024-S120-519	177,572.00	07/01/2023	06/30/2024				177,572.00							177,572.00
SDA - Emergency Needs	24-100-024-S120-519	9,022,234.00	07/01/2023	06/30/2024				9,022,234.00							9,022,234.00
Preschool Education Aid	24-495-024-S120-096	7,762,640.00	07/01/2023	06/30/2024				7,762,640.00							7,762,640.00
Non-Public Auxiliary Services	24-100-024-S120-067	70,128.00	07/01/2023	06/30/2024				70,128.00							70,128.00
Transportation	24-100-024-S120-067	12,255.00	07/01/2023	06/30/2024				12,255.00							12,255.00
Non-Public Auxiliary Services	24-100-024-S120-067	28,736.00	07/01/2023	06/30/2024				28,736.00							28,736.00
Non-Public Auxiliary Services	24-100-024-S120-067	21,360.00	07/01/2023	06/30/2024				21,360.00							21,360.00
Non-Public Auxiliary Services	24-100-024-S120-067	38,960.00	07/01/2023	06/30/2024				38,960.00							38,960.00
Non-Public Auxiliary Services	24-100-024-S120-067	48,363.00	07/01/2023	06/30/2024				48,363.00							48,363.00
Non-Public Auxiliary Services	24-100-024-S120-067	58,408.00	07/01/2023	06/30/2024				58,408.00							58,408.00
Non-Public Auxiliary Services	24-100-024-S120-067	240,720.00	07/01/2023	06/30/2024				240,720.00							240,720.00
Total Special Revenue Fund								\$1,344.86	(\$12,873.98)					\$1,344.86	\$1,344.86
Debt Service Fund															
Debt Service Aid	24-495-024-S120-075	850,592.00	07/01/2023	06/30/2024				850,592.00							850,592.00
Total State Financial Assistance								\$1,344.86	(\$12,873.98)					\$1,344.86	\$1,344.86
Left: On-behalf amounts not utilized for determination of Major Programs															
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	6,069,214.00	07/01/2023	06/30/2024				6,069,214.00							6,069,214.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	251,409.00	07/01/2023	06/30/2024				251,409.00							251,409.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	22,344,865.00	07/01/2023	06/30/2024				22,344,865.00							22,344,865.00
On-behalf TPAF Pension - post retirement medical	24-495-024-S120-001	10,303.00	07/01/2023	06/30/2024				10,303.00							10,303.00
Total State Financial Assistance Subject to Single Audit								\$1,344.86	(\$12,873.98)					\$1,344.86	\$1,344.86

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

**Franklin Township School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2024**

**NOTE 1:     GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Franklin 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 the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2:     BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 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 as allowed under the 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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



**Franklin Township School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2024**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$625,598.00) for the general fund and \$13,455.11 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$420,029.03	\$56,944,994.38	\$57,365,023.41
Special Revenue Fund	7,859,017.23	9,620,642.13	17,479,659.36
Debt Service Fund		856,562.00	856,562.00
Food Service Fund	<u>2,894,767.16</u>	<u>152,973.98</u>	<u>3,047,741.14</u>
Total Awards & Financial Assistance	<u>\$11,173,813.42</u>	<u>\$67,575,172.49</u>	<u>\$78,748,985.91</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2024. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2024.

**Franklin Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

**Section I – Summary of Auditor's Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor's Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | Yes        |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | Yes        |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?                 | No         |
| (2) | Type of Auditor's Report issued on compliance for major federal program(s)?                                | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? | No         |
| (4) | Identification of Federal Program(s):  |            |

<u>Program</u>	<u>A.L.</u> <u>NUMBER</u>	<u>F.A.I.N.</u>
IDEA Special Education Cluster:		
IDEA Part B Basic	84.027	H027A240100
IDEA Part B Preschool	84.173	H173A230114
Medicaid Assistance Program (SEMI/MAC)	93.778	2005NJ5MAP

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000.00<br>Type B Federal Program Threshold <= \$750,000.00 |     |
| (6) | Auditee qualified as a low-risk auditee under Federal Uniform Guidance?   | Yes |

**Franklin Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (c) Material weakness identified? No
- (d) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Debt Service Aid	495-034-5120-075
Reimbursed TPAF Social Security	495-034-5120-003
State Aid Cluster:	
Equalization Aid	495-034-5120-078
Special Education Categorical Aid	495-034-5120-089
Security Aid	495-034-5120-084

- (5) Program Threshold Determination:  
     Type A State Program Threshold > \$1,198,549.00  
     Type B State Program Threshold <= \$1,198,549.00
- (6) Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? Yes

**Franklin Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

\* Finding 2024-01

Criteria of Specific Requirement:

The maintenance of a general ledger accounting record is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

Condition:

Our auditing revealed numerous entries missing from both prior audit adjustments and current year transactions in the district's finance system, resulting in inaccurate general ledger balances at year end.

Context:

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records of the District.

Cause:

There appears to be a lack of proper internal controls surrounding the maintenance of the district's general ledger accounting system.

Effect or Potential Effect:

By not maintaining an accurate general ledger, the District risks material misstatements within their records.

Recommendation:

That District properly maintain the general ledger and reconcile the ledger monthly with other subsidiary records.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

## **Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

### **Internal Control Findings (Continued)**

Finding 2024-02

Criteria of Specific Requirement:

The maintenance of accurate bank reconciliations matching to the records of the business administrator/board secretary is an important control over the management of cash in the district.

Condition:

Our auditing revealed unidentified reconciling adjustment each month which, if removed, cause the bank reconciliations to not match to the business administrator/board secretary's records.

Context:

The bank reconciliation contains unidentified adjustments which cause the reconciliations to essentially not match to the district's records.

Cause:

There appears to be a lack of proper internal controls surrounding the process of managing and reconciling cash balances between the business office and the treasurer.

Effect or Potential Effect:

By not preparing accurate and timely bank reconciliations, the District risks material misstatements within their records.

Recommendation:

That the treasurer's reports and bank reconciliations be properly reconciled with the board secretary's records each month.

Management Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action.

### **Compliance Findings**

See 2024-001 and 2024-002

## **Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Franklin Township School District**

**Summary Schedule of Prior Year Audit Findings**

**For the Fiscal year Ending June 30, 2024**

This section identifies the status of prior year findings related to the financial statements, federal awards, and state financial assistance that are required to be reported in accordance with *Government Auditing Standards, Title 2 U.S. Code of federal Regulations part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), state of New Jersey Circular 15-08.*

**FINANCIAL STATEMENT FINDINGS**

**Finding 2023-001:**

The maintenance of a general ledger accounting records is required by the State Department of Education. This record summarizes all account balances of the District. It should be reconciled monthly to subsidiary records.

**Current Status:**

See Finding 2024-001.

**FEDERAL PROGRAM(S)**- None Reported

**STATE PROGRAM(S)** – None Reported

