

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE
FREEHOLD BOROUGH BOARD OF EDUCATION**

**280 Park Avenue
Freehold, New Jersey 07728**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Prepared by

**Patrick J. Pisano
Assistant Superintendent of Business/Board Secretary
Freehold Borough Board of Education
Business Office**

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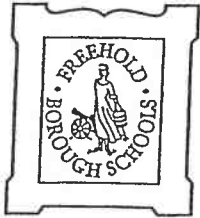
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INTRODUCTORY SECTION



Borough of Freehold Public Schools

280 PARK AVENUE
FREEHOLD, NEW JERSEY 07728
<http://www.freeholdboro.k12.nj.us>

January 13, 2025

Honorable President and Members
of the Board of Education
Freehold Borough School District
County of Monmouth, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report of the Freehold Borough School District (the "District") for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical tables and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical tables section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and in addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *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. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Freehold Borough School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Freehold Borough Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an enrollment of 1,633 students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	1,633.0	(0.55%)
2022-2023	1,642.0	1.55%
2021-2022	1,617.0	(2.41%)
2020-2021	1,657.0	(1.95%)
2019-2020	1,690.0	(0.18%)
2018-2019	1,693.0	0.89%
2017-2018	1,678.0	(3.40%)
2016-2017	1,737.0	0.99%
2015-2016	1,720.0	5.30%
2014-2015	1,633.4	3.84%

2. **ECONOMIC CONDITION AND OUTLOOK:** The mayor and council are involved in a number of initiatives to make the Borough more attractive to homeowners, as well as to new and relocating businesses.
3. **MAJOR INITIATIVES:** During fiscal year 2024 the Board received an increase in state aid which was utilized in salaries and positions. The district anticipates opening 12 new classrooms at the Park Ave complex in fiscal year 2024 that was funded by American Rescue Plan. We are also in the process of completing our ROD grant that allowed us to complete 4 new boilers at the Park Ave complex.
4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2024.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements", Note 1.
7. **DEBT ADMINISTRATION:** The District's total outstanding debt as of June 30, 2024 was \$12,530,000. The remaining annual maturity schedule as of June 30, 2024 for principal as well as annual interest payments are detailed in the "Notes to Financial Statements".
8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.
10. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Gerard Stankiewicz, CPA, PSA of the accounting firm of Samuel Klein and Company, Certified Public Accountants, was selected by the Board's Finance Committee. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 US *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. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

11. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Freehold Borough Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our business office.

Respectfully submitted,

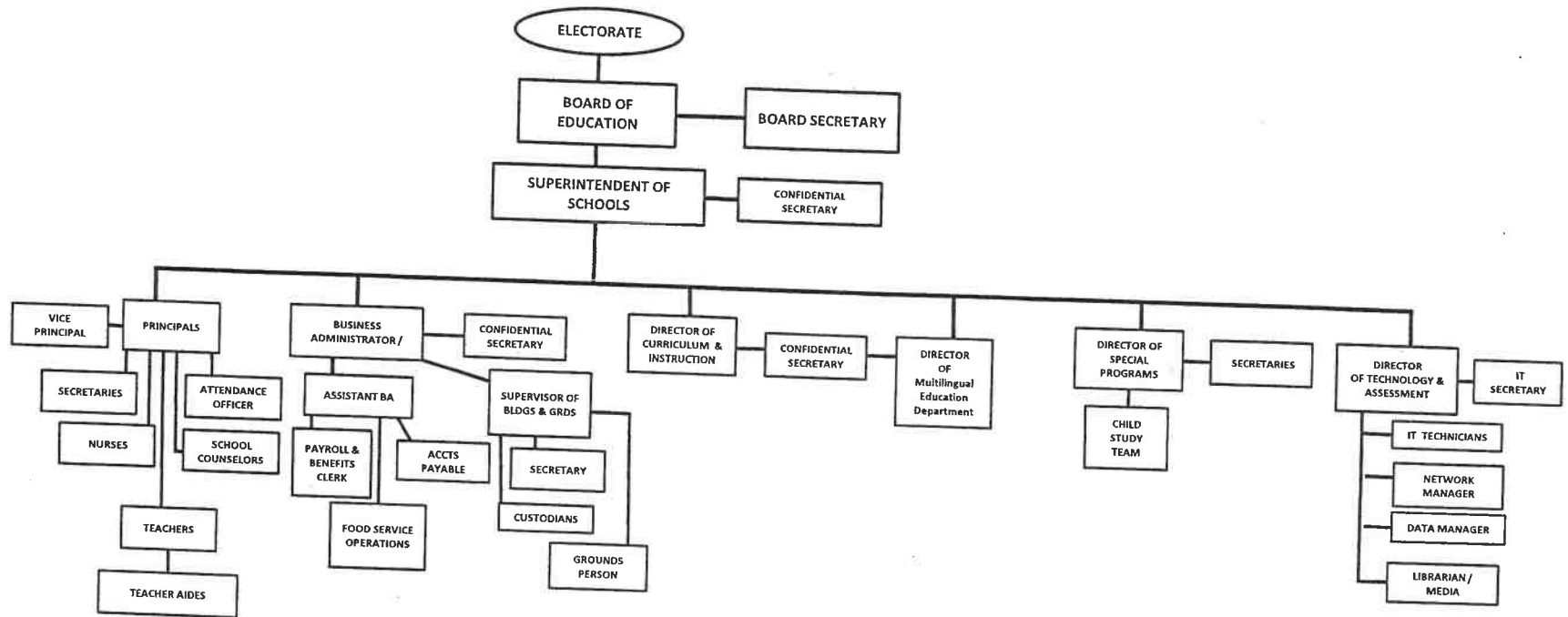
A handwritten signature in dark ink, appearing to read 'Asia Michael', written in a cursive style.

Asia Michael
Superintendent of Schools

A handwritten signature in dark ink, appearing to read 'Patrick J. Pisano', written in a cursive style.

Patrick J. Pisano
Assistant Superintendent of Business/Board Secretary

FREEHOLD BOROUGH BOARD OF EDUCATION
DISTRICT TABLE OF ORGANIZATION



FREEHOLD BOROUGH BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2024

Members of the Board of Education

Term Expires

Joseph Santonacita, President.....	2026
Tomi Carter, Vice President.....	2026
Molly Loprete	2025
Carrie Conger	2024
Brent Costleigh	2025
Marin De Leon	2024
Dan Xavier	2025
Sean Schittig.....	2026
Paul Jensen	2024

Other Officials

Asia Michael, Superintendent of Schools

Patrick J. Pisano, Assistant Superintendent of Business/Board Secretary

Patricia Saxton, Assistant School Business Administrator

Bruce Rodman, Treasurer of School Funds

FREEHOLD BOROUGH BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2024

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members of the Board
Freehold Borough Board of Education
County of Monmouth
Freehold, New Jersey

Report on the Financial Statement

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Freehold School District, County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024 and the related Notes to 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, business type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Freehold Borough School 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Basis for Opinions

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

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 misstatements, 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, *Government Auditing Standards* and auditing standards prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of the net pension liability associated with the District – TPAF, the District's proportionate share of the net OPEB Liability – PERS and TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements.

Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Freehold School District basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are 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. Such 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 accompanying Combining and Individual Fund Financial Statements, Long-term Debt Schedules 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.

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of the Board of Education of the Freehold Borough School District internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Freehold Borough School District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Freehold Borough School District internal control over financial reporting compliance.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 13, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I



Borough of Freehold Public Schools

280 PARK AVENUE
FREEHOLD, NEW JERSEY 07728
<http://www.freeholdboro.k12.nj.us>

January 13, 2025

Honorable President and Members
of the Board of Education
Freehold Borough School District
County of Monmouth, New Jersey

Dear Board Members:

Management's Discussion and Analysis

The following analysis of Freehold Borough Board of Education's financial performance provides a summary of the district's financial integrity. The intent of the analysis is to provide an interpretation of the financial statements. As you know, school districts operate as a non-profit organization. Yet, GASB 34 is instrumental in providing outside entities the opportunity to measure for profit operations. Hence, financial information that is analyzed utilizing GASB 34 for non-profit entities is, in our opinion, irrelevant and misleading. School districts are required to account for asset depreciation even though the need to match revenues with purchased assets are not necessary since all similar purchases are budgeted for in capital outlay and expensed in the operating year.

Fund Financial Statements

School Districts utilize two categories for reporting assets. The first category identified as Governmental Funds records the most activity. Governmental Funds reflects activity within the following sub-groups:

General Fund (Fund 10)

Fund 11 Distributed and Undistributed Instructional Accounts – Asset Producing
Fund 12 Capital Outlay – Asset Producing

Special Revenue (Fund 20)

Fund 20 Grants and Entitlements – Asset Producing

Capital Projects (Fund 30)

Fund 30 Capital Projects/Construction in progress – Asset Producing

Debt Service (Fund 40)

Fund 40 Debt Service payments for Bonds and Interest – Non Asset Producing

The second category identified as Business Type Activities, records assets purchased for the following sub-group:

Enterprise (Fund 60)

Fund 60 Enterprise/Food Service – Asset Producing

Financial Highlights

Key financial highlights for 2024 are as follows:

Government-Wide GASB #34

- In total, net position totaled \$41,228,532 which represents \$6,769,059 or 19.64% increase in the net position of \$34,459,473 from 2023.
- General revenues accounted for \$46,258,634 in revenue or 88.45% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,039,794 or 11.55% of total revenues of \$52,298,428.
- The District had \$45,475,918 in expenses; only \$6,039,794 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and federal and state aid) of \$46,258,634 were adequate to provide for these programs.

Fund Financial Statements

- Total assets of governmental activities exclusive of the Capital Projects Fund increased by \$4,416,761. Cash and cash equivalents increased by \$887,378, receivables increased by \$2,833,587 and current liabilities increased by \$3,010,219.
- Among major funds, the General Fund had \$43,645,670 in revenues and \$40,651,051 in expenditures. The General Fund's fund balance increased by \$1,450,145 over 2023. The General Fund's fund balance is \$7,857,492. The increase was caused by greater levels of state aid.
- The Special Revenue Fund had \$8,214,358 in revenues and \$8,890,858 in expenditures.

Using this Annual Comprehensive Financial Report (ACFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Borough of Freehold School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provides information about the activities of the District, presenting both an aggregate view of the District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Borough of Freehold School District, the General Fund is by far the most significant.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially During Fiscal Year 2024". The Statement of Net Position and the Statement of activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and change in those positions. This change in net position is important because they report on whether the District's financial position has improved or diminished.

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

Governmental Activities — All of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities — This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 27. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget

The basic governmental fund financial statements can be found on pages 27-29 of this report.

Proprietary Funds

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 33-85 of this report.

Other Information

Combining fund statements can be found on pages 27-32 and schedules on pages 86-117 of this report.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the School District's net position for 2024 and 2023.

Table 1 – Comparative Summary of Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	<u>2023-2024</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2022-2023</u>
Assets						
Current and other assets	\$ 16,429,376	\$ 12,708,412	\$ 446,829	\$ 428,218	\$ 16,876,205	\$ 13,136,630
Capital assets, net	<u>45,361,328</u>	<u>42,320,875</u>	<u>48,080</u>	<u>57,471</u>	<u>45,409,408</u>	<u>42,378,346</u>
Total Assets	<u>\$ 61,790,704</u>	<u>\$ 55,029,286</u>	<u>\$ 494,910</u>	<u>\$ 485,689</u>	<u>\$ 62,285,613</u>	<u>\$ 55,514,975</u>
Deferred outflows of resources						
Pension	\$ 1,133,012	\$ 1,076,057			\$ 1,133,012	\$ 1,076,057
Total Deferred outflows of resources	<u>\$ 1,133,012</u>	<u>\$ 1,076,057</u>			<u>\$ 1,133,012</u>	<u>\$ 1,076,057</u>
Liabilities						
Current and other liabilities	\$ 2,763,559	\$ 1,509,180	\$ 37,909		\$ 2,801,468	\$ 1,509,180
Net pension liability	5,629,034	5,458,406			5,629,034	5,458,406
Long-term liabilities outstanding	<u>13,377,824</u>	<u>14,220,888</u>			<u>13,377,824</u>	<u>14,220,888</u>
Total Liabilities	<u>\$ 21,770,417</u>	<u>\$ 21,188,475</u>	<u>\$ 37,909</u>	<u>-</u>	<u>\$ 21,808,326</u>	<u>\$ 21,188,475</u>
Deferred inflow of resources						
Pension	<u>\$ 381,767</u>	<u>\$ 943,084</u>			<u>\$ 381,767</u>	<u>\$ 943,084</u>
Net Position						
Net investment in capital assets	\$ 32,725,480	\$ 28,862,506	\$ 48,080	\$ 57,470	\$ 32,773,561	\$ 28,919,977
Restricted	12,924,058	11,022,224			12,924,058	11,022,224
Unrestricted (deficit)	<u>(4,878,007)</u>	<u>(5,910,946)</u>	<u>408,920</u>	<u>428,218</u>	<u>(4,469,087)</u>	<u>(5,482,728)</u>
Total Net Position	<u>\$ 40,771,532</u>	<u>\$ 33,973,785</u>	<u>\$ 457,000</u>	<u>\$ 485,689</u>	<u>\$ 41,228,532</u>	<u>\$ 34,459,473</u>

The District's combined net position was \$41,228,532 on June 30, 2024, representing an increase of \$6,769,059 or 19.64% over the net position from the prior year of \$34,459,473.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Table 2 shows the comparative change in net position from fiscal year 2024 and 2023.

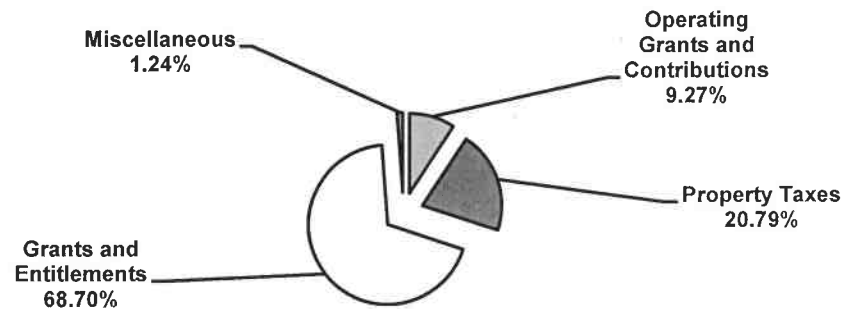
Table 2 – Comparative Change in Net Position

	Governmental Activities		Business-Type Activities		Total School District	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Revenues:						
Program Revenues:						
Charges for Services			\$ 173,169	\$ 191,252	\$ 173,169	\$ 191,252
Operating Grants and Contributions	\$ 4,726,444	\$ 4,656,048	1,140,181	1,345,949	5,866,625	6,001,997
General Revenue:						
Property Taxes	10,598,405	10,502,239			10,598,405	10,502,239
Federal and State Aid	35,027,201	30,125,400			35,027,201	30,125,400
Miscellaneous	633,028	479,183			633,028	479,183
Total Revenue	<u>\$ 50,985,078</u>	<u>\$ 45,762,869</u>	<u>\$ 1,313,350</u>	<u>\$ 1,537,201</u>	<u>\$ 52,298,428</u>	<u>\$ 47,300,070</u>
Expenses:						
Instruction	\$ 25,853,977	\$ 23,364,116			\$ 25,853,977	\$ 23,364,116
Tuition	1,288,061	1,433,963			1,288,061	1,433,963
Student and Instruction						
Related Services	6,157,507	6,249,837			6,157,507	6,249,837
School Administration	1,449,550	1,401,487			1,449,550	1,401,487
General Administration	2,604,594	2,333,988			2,604,594	2,333,988
Operation and Maintenance						
of Facilities	4,144,684	3,861,841			4,144,684	3,861,841
Pupil Transportation	2,255,376	2,671,823			2,255,376	2,671,823
Interest on Debt	380,130	400,057			380,130	400,057
Business Type Actives			\$ 1,342,038	\$ 1,366,958	1,342,038	1,366,958
Total Expenses	<u>\$ 44,133,880</u>	<u>\$ 41,717,112</u>	<u>\$ 1,342,038</u>	<u>\$ 1,366,958</u>	<u>\$ 45,475,918</u>	<u>\$ 43,084,070</u>
Special and Extraordinary Items, Net	(69,498)	(35,779)			(69,498)	(35,779)
Change in Net Position	<u>\$ 6,781,700</u>	<u>\$ 4,009,978</u>	<u>\$ (28,689)</u>	<u>\$ 170,243</u>	<u>\$ 6,753,011</u>	<u>\$ 4,180,221</u>
Net Position - Beginning	33,973,784	29,963,806	485,689	315,446	34,459,473	30,279,252
Prior Period Adjustment	16,047	-	-	-	16,047	-
Net Position - Beginning, Restated	<u>33,989,832</u>	<u>29,963,806</u>	<u>485,689</u>	<u>315,446</u>	<u>34,475,521</u>	<u>30,279,252</u>
Net Position - Ending	<u>\$ 40,771,532</u>	<u>\$ 33,973,784</u>	<u>\$ 457,000</u>	<u>\$ 485,689</u>	<u>\$ 41,228,532</u>	<u>\$ 34,459,473</u>

Governmental Activities

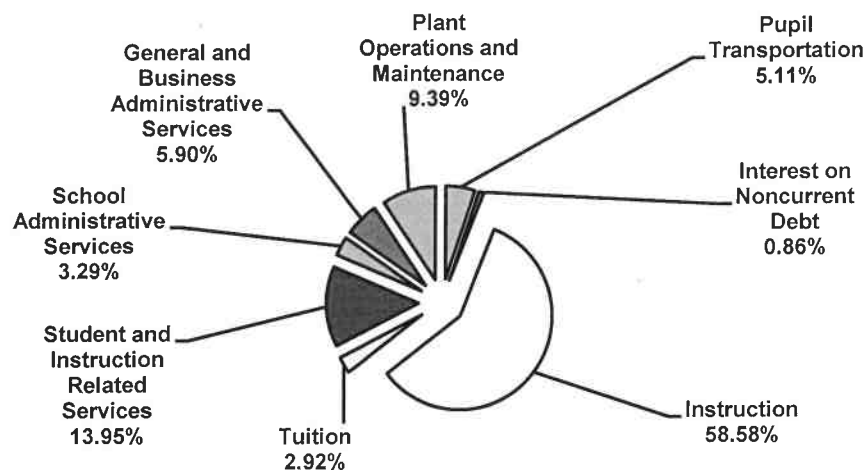
Revenue for Fiscal Year 2024

Total revenues of the Governmental Activities were \$50,985,078. Property taxes as approved made up \$10,598,405 or 20.79% of revenues for governmental activities for the fiscal year 2024. Federal, state and local grants and entitlements and contributions accounted for another \$35,027,201 or 68.70%.



Expenses for Fiscal Year 2024

The total cost of all programs and services was \$44,133,880. Instruction comprises \$25,853,977 or 58.58% of the District's expenses other than capital expenditures.



Expenditures for out-of-district placement of classified students equal about 2.92% of the operating budget. Instructional expenses equal 58.58% of the operating budget. Instructional expenses include teachers' salaries, supplies and textbooks.

Student Support Services include health, social work, child study team and guidance support.

Maintenance and Operations are expenses mandated by the State Department of Education to maintain all building systems. Costs for the maintenance and custodial departments are also included here.

Transportation costs primarily include Special Education students.

General and Business Administrative Services are expenditures associated with the business and financial aspect of the District. Expenditures include payroll, transportation, accounting, accounts payable, benefits processing, technology and personnel departments.

School Administrative Services relates to principals and oversight of the various school buildings.

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

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services *		
	2023-2024	2022-2023	% Change	2023-2024	2022-2023	% Change
Instruction	\$ 25,853,977	\$ 23,364,116	10.66%	\$ 22,671,930	\$ 20,232,317	12.06%
Support Services:						
Tuition	1,288,061	1,433,962	-10.17%	1,288,061	1,433,962	-10.17%
Pupils and Instructional Staff	6,157,507	6,249,837	-1.48%	4,830,249	4,954,347	-2.50%
School Administration	1,449,550	1,401,488	3.43%	1,449,550	1,401,488	3.43%
Other Administration	2,604,594	2,333,988	11.59%	2,604,594	2,333,988	11.59%
Operation and Maintenance of Facilities	4,144,684	3,861,841	7.32%	4,144,684	3,861,841	7.32%
Pupil Transportation	2,255,376	2,671,823	-15.59%	2,255,376	2,671,823	-15.59%
Debt Service	380,130	400,057	-4.98%	162,991	171,298	-4.85%
Total Expenses	\$ 44,133,880	\$ 41,717,112	5.79%	\$ 39,407,436	\$ 37,061,064	6.33%

Business-Type Activities

Revenues for the District's business-type activities – food service program were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$28,689. Charges for services represent \$173,169 or 13.19% of revenue. This represents the amount paid by patrons for daily food service and catering.

Expenditures in total were \$1,342,038.

Federal and state reimbursements for meals, including payments for free and reduced lunches was \$1,140,181 or 86.81% of revenue.

The District's Funds

Information about the District's major funds starts on page 27. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$53,145,532 and expenditures of \$50,748,846. The net positive change in overall fund balance for the year was most significant in the General Fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds exclusive of the capital projects fund for the fiscal years ended June 30, 2024 and June 30, 2023, and the amount and percentage of total and increases/decreases in relation to prior year revenues.

Revenue	2023-2024		2022-2023		Increase/ (Decrease) from 2022-2023 to 2023-2024
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 11,230,468	21.13%	\$ 10,979,020	23.45%	\$ 251,448
State Sources	34,979,930	65.82%	30,920,504	66.03%	4,059,426
Federal Sources	6,935,134	13.05%	4,927,961	10.52%	2,007,173
Total	<u>\$ 53,145,532</u>	<u>100.00%</u>	<u>\$ 46,827,485</u>	<u>100.00%</u>	<u>\$ 6,318,048</u>

The increase in Local Sources is primarily attributed to a slight increase in the local tax levy. The increase in State Sources is attributed to an increase in equalization aid. The increase in Federal Sources is primarily attributed to additional ARP ESSER funding.

The following schedule presents a summary of governmental funds expenditures for the fiscal years ended June 30, 2024 and June 30, 2023 and the amount and percent of the total and increase/(decrease) in relation to prior year expenditures, exclusive of the Capital Project Fund.

Expenditures	2023-2024		2022-2023		Increase/(Decrease) from 2022-2023 to 2023-2024
	Amount	Percent of Total	Amount	Percent of Total	
Current Expense:					
Instruction	\$ 17,669,080	34.82%	\$ 15,948,496	35.09%	\$ 1,720,584
Tuition	1,288,061	2.54%	1,433,962	3.15%	(145,901)
Undistributed					
Expenditures	25,577,102	50.40%	24,053,312	52.92%	1,523,790
Capital Outlay	5,007,665	9.87%	2,807,610	6.18%	2,200,055
Debt Service	1,206,938	2.38%	1,212,375	2.67%	(5,438)
Total	<u>\$ 50,748,846</u>	<u>100.00%</u>	<u>\$ 45,455,755</u>	<u>100.00%</u>	<u>\$ 5,293,091</u>

The increase in Current Expense – Instruction is attributed to increased costs of salaries of teachers and the increased cost of other instructional programs.

The increase in Undistributed Expenditures relates to higher administrative and benefits costs.

Debt Service relates to the principal and interest payments on the 2017 Series Bonds which were for building improvements and renovations.

General Fund Budgeting Highlights

The Freehold Borough School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The district uses four major funds: the General Fund, where the district records its budget for day to day operation; the Special Revenue Fund, where the district records budgeted monies from the State and Federal Governments; the Debt Service Fund, where they record expenses for noncurrent debt and interest payments; and its Proprietary Fund where the district records its operational expenses for its food service program. The most significant budgeted fund and the fund that attracts the most attention is the General Fund.

During the course of the fiscal year 2024, the District amended its General Fund budget as needed. These transfers are approved by the Board of Education and the Executive County Superintendent of Schools. Transfers that occurred during the year were necessitated by:

- Staffing changes based on student needs
- Mid-year salary adjustments as previously agreed upon
- Additional Special Education Students
- Changes in appropriations to prevent budget overruns

In creating its budget the District uses program based budgeting as defined by the State's Chart of Accounts. The budgeting program and purchase order encumbrance system are designed to control budgets and insure fiscal integrity in the district's fiscal program.

The District's final budget for the General Fund anticipated that revenues and expenditures would equal.

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

Revenue

- Actual unrestricted miscellaneous revenue was in excess of the modified budgeted amount by approximately \$162,548 or 464% as a result mostly of interest on investments, insurance proceeds and refund of prior year expenditures.

Expenditures

- Total regular programs – instruction final budget was higher than the original budget by \$23,686 or 0.28%. Actual expenditures of \$8,010,355 represented 95.81% of the final budget. The increase in the budget was caused primarily by more of a need for instructional salaries.
- Total special education – instruction final budget was higher than the original budget by \$135,427 or 2.94%. Actual expenditures of \$4,693,836 represented 99.10% of the final budget. The increase in the budget was caused by more of a need for instructional salaries.
- Total instructional expenditures final budget was more than the original budget by \$228,509 or 14.94%. Actual total instructional expenditures were \$14,972,092 or 96.45% of the final budget. The increase in the budget was caused by an increased need for teacher-related salaries and purchased services.
- Total undistributed expenditures – other improvement of instructional services final budget was lower than the original budget by \$73,455 or 13.01%. Expenditures were \$481,576 or 98.06% of the final budget.
- Total undistributed expenditures – health services final budget was lower than original by \$10,754 or 1.31%. Actual expenditures were \$451,880 or 55.88% of the final budget.
- Total undistributed expenditures – other support service students related services – final budget was higher than the original by \$9,358 or 1.29%. Actual expenditures were \$728,307 or 99.23% of the final budget.
- Total undistributed expenditures – tuition – final budget was higher than the original by \$133,339 or 78.09%. Actual expenditures were \$1,288,061 or 69.97% of the final budget.
- Total undistributed expenditures – other operation of maintenance and plant – final budget was higher than the original by \$88,352 or 5.10%. Actual expenditures were \$1,764,258 or 96.84% of the final budget.
- Total undistributed expenditures – unallocated benefits final budget was less than the original by \$434,928 or 5.71%. Actual expenditures were \$6,344,552 or 88.34% of the final budget.
- Undistributed – student transportation final budget was lower than the original budget by \$66,900 or 3.48%. Actual expenditures of \$1,481,634 or 79.95% of the final budget.
- The capital outlay portion of the budget was adjusted based on the needs of the District.
- The current expense portion of the budget as modified (final) was \$174,952 or 0.49% higher than the original budget. Total expenditures net of on-behalf payment was \$32,673,182 or 91.07% of the budget.

Capital Assets

At the end of the fiscal year 2024, the School District had \$65,678,613 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2024 balances compared to 2023.

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

	Governmental Activities		Business-Type Activities		Total School District	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Land	\$ 110,050	\$ 110,050			\$ 110,050	\$ 110,050
Infrastructure					-	-
Site and Site						
Improvements	830,307	900,465			830,307	900,465
Building and Building						
Improvements	43,342,314	40,047,900			43,342,314	40,047,900
Machinery and						
Equipment	957,617	1,164,827	\$ 48,080	\$ 57,470	1,005,697	1,222,297
Right of Use	121,040	113,680			121,040	113,680
Total Capital						
Assets - Net of						
Depreciations	<u>\$ 45,361,328</u>	<u>\$ 42,336,922</u>	<u>\$ 48,080</u>	<u>\$ 57,470</u>	<u>\$ 45,409,408</u>	<u>\$ 42,394,392</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

Overall capital assets (net) increased from fiscal year 2023 to fiscal year 2024. The increase in capital assets is primarily due to fixed asset additions in excess of annual depreciation.

Debt Administration

At the end of the fiscal year 2024 and 2023, the School District had outstanding debt as follows:

Table 5 – Debt Administration

	June 30,	
	2024	2023
Compensated Absences	\$ 741,977	\$ 762,520
Serial Bonds	12,530,000	13,355,000
Leases	105,847	103,368
Totals	<u>\$ 13,377,824</u>	<u>\$ 14,220,888</u>

Refer to Notes to Financial Statements (Note 8) for more detailed information.

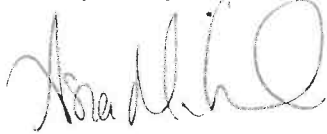
For the Future

Fiscal Year 2024 started out with another increase in state aid due to S-2 legislation. The district is planning process to enclose the large open instruction space at the Freehold Learning Center.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the Assistant Superintendent of Business/Board Secretary at Freehold Borough Board of Education, 280 Park Avenue, Freehold, NJ 07728.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Asia Michael".

Asia Michael
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Patrick J. Pisano".

Patrick J. Pisano
Assistant Superintendent of Business/Board Secretary

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 5,623,871.13	\$ 240,030.95	\$ 5,863,902.08
Receivables - Net	4,419,657.14	187,077.46	4,606,734.60
Inventory		19,720.99	19,720.99
Restricted:			
Cash and Cash Equivalent	6,385,847.74		6,385,847.74
Capital Assets:			
Non-Depreciable	110,050.00		110,050.00
Depreciable	45,130,238.00	48,080.25	45,178,318.25
Right of Use	121,039.51		121,039.51
Total Assets	<u>\$ 61,790,703.52</u>	<u>\$ 494,909.65</u>	<u>\$ 62,285,613.17</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension	<u>\$ 1,133,012.00</u>		<u>\$ 1,133,012.00</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 897,208.50	\$ 37,909.40	\$ 935,117.90
Intergovernmental Accounts Payable	32,893.49		32,893.49
Payroll Deductions and Payroll Withholdings	13,196.07		13,196.07
Unearned Revenue	1,680,901.19		1,680,901.19
Accrued Interest on Bonds	139,359.38		139,359.38
Net Pension Liability	5,629,034.00		5,629,034.00
Noncurrent Liabilities:			
Due Within One Year	965,310.51		965,310.51
Due Beyond One Year	12,412,513.78		12,412,513.78
Total Liabilities	<u>\$ 21,770,416.92</u>	<u>\$ 37,909.40</u>	<u>\$ 21,808,326.32</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension	<u>\$ 381,767.00</u>		<u>\$ 381,767.00</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 32,725,480.40	\$ 48,080.25	\$ 32,773,560.65
Restricted	12,924,058.36		12,924,058.36
Unrestricted (Deficit)	(4,878,007.16)	408,920.00	(4,469,087.16)
Total Net Position	<u>\$ 40,771,531.60</u>	<u>\$ 457,000.25</u>	<u>\$ 41,228,531.85</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 12,159,552.28			\$ (12,159,552.28)		\$ (12,159,552.28)
Special Education	10,242,173.65		\$ 3,182,046.85	(7,060,126.80)		(7,060,126.80)
Other Special Instruction	3,217,743.42			(3,217,743.42)		(3,217,743.42)
Other Instruction	234,507.64			(234,507.64)		(234,507.64)
Support Services:						
Tuition	1,288,060.94			(1,288,060.94)		(1,288,060.94)
Student and Instruction Related Services	6,157,506.58		1,327,257.76	(4,830,248.82)		(4,830,248.82)
School Administrative Services	1,449,550.49			(1,449,550.49)		(1,449,550.49)
Other Administrative Services	2,604,594.30			(2,604,594.30)		(2,604,594.30)
Plant Operations and Maintenance	4,144,684.45			(4,144,684.45)		(4,144,684.45)
Pupil Transportation	2,255,375.88			(2,255,375.88)		(2,255,375.88)
Interest on Noncurrent Debt	380,130.38		217,139.71	(162,990.67)		(162,990.67)
Total Governmental Activities	\$ 44,133,880.01		\$ 4,726,444.32	\$ (39,407,435.69)		\$ (39,407,435.69)
Business-Type Activities:						
Food Service	\$ 1,342,038.10	\$ 173,169.06	\$ 1,140,180.71		\$ (28,688.33)	\$ (28,688.33)
Total Primary Government	\$ 45,475,918.11	\$ 173,169.06	\$ 5,866,625.03	\$ (39,407,435.69)	\$ (28,688.33)	\$ (39,436,124.02)
General Revenues						
Taxes:						
General Purposes				\$ 10,283,236.00		\$ 10,283,236.00
Debt Service				315,169.00		315,169.00
Federal and State Aid not Restricted				35,027,200.78		35,027,200.78
Miscellaneous				633,028.11		633,028.11
				46,258,633.89		46,258,633.89
Excess				6,851,198.20	\$ (28,688.33)	6,822,509.87
Special and Extraordinary Revenue/(Expense)				(69,498.59)		(69,498.59)
Change in Net Position				\$ 6,781,699.61	\$ (28,688.33)	\$ 6,753,011.28
Net Position - Beginning				33,973,784.62	485,688.58	34,459,473.20
Prior Period Adjustment				16,047.37		16,047.37
				33,989,831.99	485,688.58	34,475,520.57
Net Position - Ending				\$ 40,771,531.60	\$ 457,000.25	\$ 41,228,531.85

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,066,777.61		\$ 6,549,359.73	\$ 0.23	\$ 7,616,137.57
Intergovernmental Accounts Receivable	563,697.12	\$ 3,855,960.02			4,419,657.14
Restricted Cash and Cash Equivalents	<u>6,385,847.74</u>				<u>6,385,847.74</u>
Total Assets	<u>\$ 8,016,322.47</u>	<u>\$ 3,855,960.02</u>	<u>\$ 6,549,359.73</u>	<u>\$ 0.23</u>	<u>\$ 18,421,642.45</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Cash and Cash Equivalents - Overdraft		\$ 1,992,266.44			\$ 1,992,266.44
Accounts Payable	\$ 145,634.60	230,447.90			376,082.50
Payroll Deductions and Withholdings Payable	13,196.07				13,196.07
Intergovernmental Accounts Payable - State		32,893.49			32,893.49
Unearned Revenue		<u>1,680,901.19</u>			<u>1,680,901.19</u>
Total Liabilities	<u>\$ 158,830.67</u>	<u>\$ 3,936,509.02</u>			<u>\$ 4,095,339.69</u>
Fund Balances:					
Restricted:					
Capital Reserve	\$ 4,741,031.21				\$ 4,741,031.21
Maintenance Reserve	1,075,964.59				1,075,964.59
Reserve for Excess Surplus	128,011.79				128,011.79
Unemployment Compensation	568,851.94				568,851.94
Scholarships		\$ 730.00			730.00
Student Activities		20,156.34			20,156.34
Capital Projects			\$ 5,610,384.73		5,610,384.73
Debt Service				\$ 0.23	0.23
Excess Surplus - Designated for Subsequent Year's Expenditures	918,286.91				918,286.91
Assigned - FFCRA/SEMI - Designated for Subsequent Year's Expenditures	14,170.62				14,170.62
Assigned for Other Purposes	411,174.74		938,975.00		1,350,149.74
Special Revenue Fund (Deficit)		<u>(101,435.34)</u>			<u>(101,435.34)</u>
Total Fund Balances	<u>\$ 7,857,491.80</u>	<u>\$ (80,549.00)</u>	<u>\$ 6,549,359.73</u>	<u>\$ 0.23</u>	<u>\$ 14,326,302.76</u>
Total Liabilities and Fund Balance	<u>\$ 8,016,322.47</u>	<u>\$ 3,855,960.02</u>	<u>\$ 6,549,359.73</u>	<u>\$ 0.23</u>	<u>\$ 18,421,642.45</u>

Total Fund Balance above \$ 14,326,302.76

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of capital assets is \$65,678,612.78 and the accumulated depreciation and amortization is \$20,317,285.27. (see Note 7) 45,361,327.51

Noncurrent liabilities, including bonds, loans and leases payable are not payable in the current period and therefore are not reported as liabilities in the funds (see Note 8). (13,377,824.29)

Certain liabilities are not due and payable in the current period, and therefore, are not reported in funds:

Accrued Interest Payable

(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net position balance). (139,359.38)

Accrued Pension Liability

(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30, 2023, however will be raised in the budget for the fiscal year ending June 30, 2025. (521,126.00)

Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (see Note 9) (4,877,789.00)

Net position of governmental activities (A-1) \$ 40,771,531.60

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Government Funds
<u>Revenues</u>					
Local sources:					
Local tax levy	\$ 10,283,236.00			\$ 315,169.00	\$ 10,598,405.00
Interest income			\$ 284,165.35		284,165.35
Miscellaneous - Restricted	30,266.68				30,266.68
Miscellaneous - Unrestricted	<u>197,580.44</u>	<u>\$ 120,050.51</u>			<u>317,630.95</u>
Total - Local Sources	10,511,083.12	120,050.51	284,165.35	315,169.00	11,230,467.98
State Sources	32,954,589.81	1,339,170.29		686,170.00	34,979,930.10
Federal Sources	<u>179,996.96</u>	<u>6,755,137.04</u>			<u>6,935,134.00</u>
Total Revenues	<u>\$ 43,645,669.89</u>	<u>\$ 8,214,357.84</u>	<u>\$ 284,165.35</u>	<u>\$ 1,001,339.00</u>	<u>\$ 53,145,532.08</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	\$ 8,010,354.65				\$ 8,010,354.65
Other Special Instruction	2,113,845.96				2,113,845.96
Special Education Instruction	4,693,835.53	\$ 2,696,987.73			7,390,823.26
Other Instruction	<u>154,056.11</u>				<u>154,056.11</u>
Support services and other undistributed costs:					
Tuition	1,288,060.94				1,288,060.94
Student and Instruction Related Services	3,191,440.96	1,124,935.63			4,316,376.59
School Administrative Services	958,873.90				958,873.90
Other Administrative Services	1,713,742.35				1,713,742.35
Plant operations and Maintenance	2,722,785.30				2,722,785.30
Pupil Transportation	1,481,633.73				1,481,633.73
Unallocated Benefits	<u>13,696,309.21</u>	<u>687,381.25</u>			<u>14,383,690.46</u>
Debt Service:					
Principal				\$ 825,000.00	825,000.00
Interest				381,937.50	381,937.50
Capital Outlay	<u>626,112.08</u>	<u>4,381,553.30</u>			<u>5,007,665.38</u>
Total Expenditures	<u>\$ 40,651,050.72</u>	<u>\$ 8,890,857.91</u>		<u>\$ 1,206,937.50</u>	<u>\$ 50,748,846.13</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 2,994,619.17</u>	<u>\$ (676,500.07)</u>	<u>\$ 284,165.35</u>	<u>\$ (205,598.50)</u>	<u>\$ 2,396,685.95</u>
Other Financing Sources/(Uses):					
Transfers In/(Out)	\$ (1,590,149.65)	\$ 574,315.00	\$ 814,202.65	\$ 201,632.00	
Leases (Nonbudgeted)	<u>45,675.79</u>	<u>18,204.00</u>			<u>\$ 63,879.79</u>
Total Other Financing Sources/(Uses)	<u>\$ (1,544,473.86)</u>	<u>\$ 592,519.00</u>	<u>\$ 814,202.65</u>	<u>\$ 201,632.00</u>	<u>\$ 63,879.79</u>
Net Change in Fund Balances	1,450,145.31	(83,981.07)	1,098,368.00	(3,966.50)	2,460,565.74
Fund Balance/(Deficit) beginning	<u>6,407,346.49</u>	<u>3,432.07</u>	<u>5,450,991.73</u>	<u>3,966.73</u>	<u>11,865,737.02</u>
Fund Balance/(Deficit) ending	<u>\$ 7,857,491.80</u>	<u>\$ (80,549.00)</u>	<u>\$ 6,549,359.73</u>	<u>\$ 0.23</u>	<u>\$ 14,326,302.76</u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
RECONCILIATION OF 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

Exhibit B-3

Total Net Change in Fund Balances - Governmental Funds \$ 2,460,565.74

Amounts Reported for Governmental Activities in the
Statement of Activities (A-2) are different because:

Capital outlays and related costs 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 depreciated expense or amortized expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$	5,007,665.38	
Depreciation expense		(1,857,241.00)	
Loss on disposition of assets		(69,498.59)	
			3,080,925.79

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increase long-term liabilities in the statement of net position.

Leases			(63,879.79)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position and is not reported in the statement of activities.

825,000.00

Governmental funds report right-of-use principal payments as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which amortization expense exceeded right-of-use principal payments in the period.

Lease amortization expense	\$	(47,980.29)	
Lease principal payment		61,401.15	
Subscription amortization expense		(8,540.00)	
			4,880.86

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an item of reconciliation.

7,734.37

The pension benefit related to PERS which is attributable to June 30, 2024 is not reported in governmental funds; however, it is reported in the statement of activities.

445,930.00

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

20,542.64

Change in Net Position of Governmental Activities (A-2)	\$	6,781,699.61	
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See accompanying notes to financial statements

PROPRIETARY FUNDS

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
PROPRIETARY FUND
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - <u>Enterprise Fund</u>
	Food Service <u>Total Enterprise</u>
<u>ASSETS</u>	
Current assets:	
Cash and Cash Equivalents	\$ 240,030.95
Accounts Receivable:	
Federal	178,940.22
State	8,137.24
Inventory	<u>19,720.99</u>
Total Current Assets	\$ <u>446,829.40</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	\$ 205,154.93
Less: Accumulated Depreciation	<u>157,074.68</u>
Total Noncurrent Assets	\$ <u>48,080.25</u>
Total Assets	\$ <u><u>494,909.65</u></u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ <u>37,909.40</u>
Total Liabilities	\$ <u><u>37,909.40</u></u>
<u>NET POSITION</u>	
Invested in Capital Assets	\$ 48,080.25
Unrestricted	<u>408,920.00</u>
Total Net Position	\$ <u><u>457,000.25</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business Type Activities - Enterprise Fund
	<u>Food Service</u>
	<u>Total Enterprise</u>
Operating Revenues:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 159,327.44
Other Sales	<u>13,841.62</u>
Total Operating Revenues	\$ <u>173,169.06</u>
Operating Expenses:	
Cost of Sales - Reimbursable	\$ 541,746.41
Cost of Sales - Non-Reimbursable	47,108.38
Salaries	447,845.11
Employee Benefits	127,099.99
Insurance	5,788.60
Purchased Technical Services	37,244.64
Other Purchased Services	2,897.05
Management Fee	64,225.92
Uniforms	2,177.79
General Supplies	53,307.50
Depreciation	9,390.21
Other Objects	<u>3,206.50</u>
Total Operating Expenses	\$ <u>1,342,038.10</u>
Operating Income/(Loss)	\$ <u>(1,168,869.04)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	\$ 29,461.58
State School Breakfast Program	11,514.95
Federal Sources:	
National School Lunch Program	700,557.75
School Breakfast Program	170,027.58
Summer Program	37,962.32
After School Snack Program	42,655.86
Supply Chain Assistance	41,717.94
Food Distribution Program	99,982.73
Equipment Grant	<u>6,300.00</u>
Total Nonoperating Revenues	\$ <u>1,140,180.71</u>
Change in Net Position	\$ (28,688.33)
Total Net Position - Beginning	<u>485,688.58</u>
Total Net Position - Ending	\$ <u><u>457,000.25</u></u>

See accompanying notes to financial statements

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business Type Activities Enterprise Funds
	<u>Food Service Total Enterprise</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 173,169.06
Payments to Employees	(447,845.11)
Payments for Employee Benefits	(127,099.99)
Payments to Suppliers	(653,169.35)
Payments for Management Fee	<u>(64,225.92)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(1,119,171.31)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	\$ 34,653.35
Federal Sources	<u>975,677.13</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>1,010,330.48</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (108,840.83)
Balances - Beginning of Year	<u>348,871.78</u>
Balances - End of Year	\$ <u><u>240,030.95</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Gain/(Loss)	\$ <u>(1,168,869.04)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:	
Depreciation	\$ 9,390.21
Change in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	37,909.40
(Increase)/Decrease in Other Accounts Receivable	941.05
(Increase)/Decrease in Inventory	<u>1,457.07</u>
Total Adjustments	\$ <u>49,697.73</u>
Net Cash Provided/(Used) by Operating Activities	\$ <u><u>(1,119,171.31)</u></u>

See accompanying notes to financial statements

NOTES TO THE FINANCIAL STATEMENTS

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Borough of Freehold School District (the "District") is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three-year staggered terms. The purpose of the District is to educate students in grades K-8. The District had an approximate enrollment at June 30, 2024 of 1,633 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

1. Government-Wide Financial 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 primary government, except for fiduciary funds.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the 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.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment that are classified in the Capital Outlay subfund. The fund also includes payroll agency, payroll net and unemployment reserve accounts.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs. This fund is not applicable in this fiscal year.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting (Continued)

2. Proprietary Fund Type

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their statement of net position. Their reported fund equity (net position) is segregated into net investment in capital assets and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

3. Noncurrent Debt

Noncurrent liabilities expected to be financed from governmental funds are accounted for in the General Noncurrent Debt, not in the governmental funds. This includes the outstanding principal balance on capital leases.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., net position) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general noncurrent debt which are recorded when due.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the winter of each year for the general, special revenue and debt service funds. The budgets are approved by the District, submitted to the County office for review approval and if determined to be within the allowable tax levy cap and within the allowable appropriation cap, become effective upon the holding of a public hearing and final adoption by the District. In accordance with P.L. 2011, c202, which became effective 17, 2012, the District elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.). All budget amendments must be approved by School Board resolution and certain others require approved by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

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 accounting principles generally accepted in the United States of America (GAAP) with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets/Budgetary Control (Continued)

Refer to Exhibit C-3 for a reconciliation of the general fund revenue and special revenue fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

F. Encumbrances

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

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

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments (Continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. 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 their deposits to the Governmental Units.

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

3. Allowance for Uncollectible Accounts

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

4. Tuition Receivable

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

5. Tuition Payable

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

6. Current Interfund Receivables/Payables

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-10 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

9. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription terms.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

11. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

12. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and noncurrent obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

13. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

14. Subscriptions Payable

In the district-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

15. Deferred Loss on Refunding of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

16. Net Position

Net Position represents the difference between assets, deferred outflows, deferred inflows and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any noncurrent debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

17. Unearned Revenue

Unearned revenue in all funds represent program revenues that have been received but not yet earned.

18. Fund Equity

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

19. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. **Nonspendable** – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. **Restricted** – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. **Committed** – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. **Assigned** – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. **Unassigned** – includes all spendable amounts not contained in the other classifications in 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 is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

20. Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 fund, (the Food Service) 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 nonoperating revenues and expenses.

21. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

22. Allocation of 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. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

23. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for the certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

24. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

25. Accounting and Financial Reporting for Pensions

The District implemented GASB No. 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date* - an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

26. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

26. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB") (Continued)

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

27. 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.

H. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:
 - Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
 - Clarification of provisions in Statement No. 87, *Leases*.
 - Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
 - Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 99 (Continued)*
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
 - Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
 - The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Accounting Standards (Continued)

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

I. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2024 through January 13, 2025, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and items that have come to the attention of the District have been disclosed.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash; usually only securities with original maturities of three (3) months or less meet this definition.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

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

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

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

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

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

As of June 30, 2024, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts (Operating)	\$ 9,612,078.05
Investor Account - Cash	5,249,359.73
Petty Cash	<u>150.00</u>
	\$ <u>14,861,587.78</u>
Reconciliation:	
Governmental Funds	\$ 14,621,556.83
Enterprise Funds	<u>240,030.95</u>
	\$ <u>14,861,587.78</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Allocation of Cash and Cash Equivalents

Unrestricted	\$ 8,475,740.04
Restricted:	
Capital Reserve	4,741,031.21
Maintenance Reserve	1,075,964.59
Unemployment Compensation	<u>568,851.94</u>
	\$ <u>14,861,587.78</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Risk Analysis – All of the balances were covered by either federal depository insurance or Government Unit Deposit Protection Act (“GUDPA”) as of June 30, 2024 and are considered to have minimal custodial risk.

Custodial Credit Risk – The Investor Account is collateralized by U.S. government securities (both U.S. Treasury and Federal Agency) and other permitted money market instruments and not exposed to custodial credit risk. The checking accounts were on deposit in a bank which had the Government Unit Deposit Protection Act coverage (“GUDPA”) as of June 30, 2024 which minimizes credit risk.

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Custodial Credit Risk – The District had no securities as of June 30, 2024 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

4. RESERVE ACCOUNTS

A. CAPITAL RESERVE

A capital reserve account was established by the Board by resolution on October 17, 2000 by inclusion of \$1.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years and was supplemented from time to time. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end. 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.

Analysis of Capital Reserve Activity since Inception:

Capital Reserve Account Established October 17, 2000		\$	1.00
Contributions from Board			
Prior to June 30, 2023	\$ 8,557,497.43		
During year ended June 30, 2024	<u>2,400,000.00</u>		
		\$	<u>10,957,497.43</u>
Less Withdrawals:			
Prior to June 30, 2023	\$ 4,715,641.22		
During year ended June 30, 2024	<u>1,500,826.00</u>		
		\$	<u>6,216,467.22</u>
Balance June 30, 2024		\$	<u><u>4,741,031.21</u></u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

4. RESERVE ACCOUNTS (CONTINUED)

B. MAINTENANCE RESERVE

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at yearend of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four (4) percent of the replacement cost of the school district's school facilities for the current year.

Balance, June 30, 2023	\$ 1,066,613.34
Contributions from Board	
During year ended June 30, 2024	100,000.00
Less Withdrawals -	
During year ended June 30, 2024	<u>90,648.75</u>
Balance June 30, 2024	<u><u>\$ 1,075,964.59</u></u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2024 consisted of Federal Sources, State Sources, State Aid, and transportation. All receivables are considered collectible in full. A summary of the principal items of intergovernmental accounts receivable follows:

	<u>Government Fund Financial Statements</u>
General Fund:	
State Sources:	
Extraordinary Aid	\$ 504,030.00
Nonpublic Transportation	5,460.00
TPAF FICA Reimbursement	<u>54,207.12</u>
	<u>\$ 563,697.12</u>
Special Revenue Fund:	
Federal Sources:	
Title I Part A	\$ 321,896.76
Title II Part A	47,274.44
Title III Part A	15,700.67
Title III Immigrant	10,530.86
Title IV	796.57
IDEA Part B	112,200.36
IDEA Preschool	4,357.00
21st Century Grant	77,540.08
High Impact Tutoring	66,415.36
ARP ESSER	3,157,420.43
ARP Learning Acceleration	<u>8,934.00</u>
	<u>\$ 3,823,066.53</u>
State Sources:	
Due from MOESC - Nonpublic	<u>\$ 32,893.49</u>
	<u>\$ 3,855,960.02</u>
	<u>\$ 4,419,657.14</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

5. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)

	<u>Business Type Activities</u>
Proprietary Fund:	
Federal Sources:	
Breakfast	\$ 35,491.01
Lunch	136,495.90
Snacks	<u>6,953.31</u>
	<u>\$ 178,940.22</u>
State Sources:	
Breakfast	\$ 2,461.85
Lunch	<u>5,675.39</u>
	<u>\$ 8,137.24</u>
	<u><u>\$ 187,077.46</u></u>

6. INVENTORY

The value of federal donated commodities as reflected on Schedule A of \$99,982.73 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2024, the federal donated commodities food inventory of \$6,724.77 was included in the year end food and supplies amount of \$19,720.99.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

7. CAPITAL ASSETS, NET

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	(Transfer) Retirements	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 110,050.00			\$ 110,050.00
Total capital assets not being depreciated	110,050.00			110,050.00
Capital assets being depreciated:				
Site Improvements	1,870,926.00			1,870,926.00
Building and building improvements	54,490,001.00	\$ 4,898,418.59	\$ (69,498.59)	59,318,921.00
Machinery and equipment	4,069,556.00	45,367.00		4,114,923.00
Total capital assets being depreciated	60,430,483.00	4,943,785.59	(69,498.59)	65,304,770.00
Capital assets being amortized:				
Right of use - leases	187,351.12	63,879.79	(3,485.50)	247,745.41
Right of use - subscriptions	16,047.37			16,047.37
Total capital assets being amortized	203,398.49	63,879.79	(3,485.50)	263,792.78
Less accumulated depreciation for:				
Site Improvements	(970,461.00)	(70,158.00)		(1,040,619.00)
Building and building improvements	(14,442,101.00)	(1,534,506.00)		(15,976,607.00)
Machinery and equipment	(2,904,729.00)	(252,577.00)		(3,157,306.00)
Total accumulated depreciation	(18,317,291.00)	(1,857,241.00)		(20,174,532.00)
Less accumulated amortization for:				
Right of use - leases	(89,718.48)	(47,980.29)	3,485.50	(134,213.27)
Right of use - subscriptions		(8,540.00)		(8,540.00)
Total accumulated amortization	(89,718.48)	(56,520.29)	3,485.50	(142,753.27)
Total capital assets being depreciated net of accumulated depreciation	\$ 42,113,192.00	\$ 3,086,544.59	\$ (69,498.59)	\$ 45,130,238.00
Total capital assets being amortized net of accumulated amortization	113,680.01	7,359.50		121,039.51
Governmental activities capital assets, net	\$ 42,336,922.01	\$ 3,093,904.09	\$ (69,498.59)	\$ 45,361,327.51
Allocation of Additions:				
General Fund		\$ 626,112.08		
Special Revenue Fund		4,381,553.30		
		5,007,665.38		
Less: Right of use		63,879.79		
		\$ 4,943,785.59		

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

7. CAPITAL ASSETS, NET (CONTINUED)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>
<u>Business-Type Activities:</u>				
Furniture, machinery and equipment	\$ 205,154.93			\$ 205,154.93
Totals at historical cost	<u>205,154.93</u>			<u>205,154.93</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>(147,684.47)</u>	\$ (9,390.21)		<u>(157,074.68)</u>
Total accumulated depreciation	<u>(147,684.47)</u>	<u>(9,390.21)</u>		<u>(157,074.68)</u>
Business type activities capital assets, net	<u>\$ 57,470.46</u>	<u>\$ (9,390.21)</u>		<u>\$ 48,080.25</u>

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, resulted in a restatement of right-of-use subscription assets beginning balance of \$16,047.37 and a corresponding adjustment to beginning net position (Exhibit A-2).

Depreciation expense was charged to Governmental Activities functions as follows:

Regular Instruction	\$ 515,449.57
Special Education Instruction	475,584.02
Other Special Instruction	136,021.57
Other Instruction	9,913.19
Support Services and Undistributed Cost:	
Student and Instruction Related Services	277,749.81
School Administrative Services	61,701.53
General and Business Administrative Services	110,275.74
Plant Operations and Maintenance	175,205.54
Pupil Transportation	<u>95,340.03</u>
	<u>\$ 1,857,241.00</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

8. NONCURRENT DEBT

During the fiscal year ended June 30, 2024 the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
<u>Governmental Activities:</u>						
Bonds Payable -						
General						
Obligation Debt	\$ 13,355,000.00		\$ (825,000.00)	\$ 12,530,000.00	\$ 855,000.00	\$ 11,675,000.00
Lease Obligations	103,368.47	\$ 63,879.79	(61,401.15)	105,847.11	36,112.79	69,734.32
Compensated						
Absences Payable	762,519.82		(20,542.64)	741,977.18	74,197.72	667,779.46
	<u>\$ 14,220,888.29</u>	<u>\$ 63,879.79</u>	<u>\$ (906,943.79)</u>	<u>\$ 13,377,824.29</u>	<u>\$ 965,310.51</u>	<u>\$ 12,412,513.78</u>

A. Bonds Payable Currently Outstanding

Bonds are authorized in accordance with State law by the voters of the municipality through referendums or in the case of refunding in accordance with Local Finance Board requirements. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2024, the District had the following serial bonds outstanding.

General Serial Bonds:

\$15,605,000 School Bonds Series 2017 -

The District issued bonds dated July 19, 2017 in the amount of \$15,605,000. The purpose of the bonds is to finance the portion of the Board's local share of the costs of rehabilitation of the Freehold Learning Center, the Park Avenue Elementary School and Freehold Intermediate School (the "Renovation Project"). The bonds are payable commencing August 15, 2019 through August 15, 2037 with remaining maturities ranging from \$855,000 to \$900,000 at interest rates ranging from 2.50% to 3.00%.

\$ 12,530,000.00 *

* Redemption: The bonds maturing prior to August 15, 2026 are not subject to redemption prior to maturity. The bonds maturing on or after August 15, 2026 shall be subject to redemption at the option of the Board in whole or in part, on any date on or after August 15, 2025 at a price of 100% of the bonds to be redeemed, plus unpaid accrued interest to the date fixed for redemption.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable Currently Outstanding (Continued)

Bonds Pledge

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

Continuing Secondary Market Disclosure

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. This has been complied with for the year ended June 30, 2024.

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

Five Years and Thereafter Payments

Principal and interest due on serial bonds outstanding at June 30, 2024 is as follows:

School District Bonds Series 2017

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 855,000.00	\$ 360,937.50	\$ 1,215,937.50
2026	875,000.00	337,125.00	1,212,125.00
2027	900,000.00	310,500.00	1,210,500.00
2028	900,000.00	283,500.00	1,183,500.00
2029	900,000.00	256,500.00	1,156,500.00
	<u>4,430,000.00</u>	<u>1,548,562.50</u>	<u>5,978,562.50</u>
2030	900,000.00	229,500.00	1,129,500.00
2031	900,000.00	202,500.00	1,102,500.00
2032	900,000.00	175,500.00	1,075,500.00
2033	900,000.00	148,500.00	1,048,500.00
2034	900,000.00	121,500.00	1,021,500.00
	<u>4,500,000.00</u>	<u>877,500.00</u>	<u>5,377,500.00</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

8. NONCURRENT DEBT (CONTINUED)

A. Bonds Payable Currently Outstanding (continued)

Principal and interest due on serial bonds outstanding (continued):

School District Bonds Series 2017 (Continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2035	\$ 900,000.00	\$ 94,500.00	\$ 994,500.00
2036	900,000.00	67,500.00	967,500.00
2037	900,000.00	40,500.00	940,500.00
2038	900,000.00	13,500.00	913,500.00
	<u>3,600,000.00</u>	<u>216,000.00</u>	<u>3,816,000.00</u>
	<u>\$ 12,530,000.00</u>	<u>\$ 2,642,062.50</u>	<u>\$ 15,172,062.50</u>

B. Bonds and Notes Authorized but Not Issued

As of June 30, 2024 the District has no unissued debt authorizations but not issued.

C. Compensated Absences

Refer to Notes to Financial Statements – Note 11 for further detail.

D. Lease Obligations

Leases

In June 2017, the GASB issued GASB No. 87, *Leases*. This GASB increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the statement of net position and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease obligation, which is initially measured at the present value of the future lease payments. For statement of activities purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the finance lease model, interest on the lease liability is recognized separately from amortization of the right-of-use assets.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

8. NONCURRENT DEBT (CONTINUED)

D. Lease Obligations (Continued)

Leases (Continued)

The District adopted this new accounting standard on July 1, 2021 on a modified retrospective basis and applied the new standard to all leases through a cumulative-effect adjustment to beginning net position. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The District elected a package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of historical lease classification.

Right-of-use assets represent the District's right to use an underlying asset for the lease term and lease liabilities represent the District's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. The operating lease right-of-use assets also include lease payments made before commencement, lease incentives and are recorded net of impairment. Operating leases are expensed on a straight-line basis over the lease term. Finance leases are recognized as a noncurrent asset and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.

Various Equipment Leases

The District entered into lease purchase agreements for copy machines and hotspot devices. The future minimum lease obligations and the net present value of the future payments, with imputed or stated interest rates ranging from 0% to 3.124% at June 30, 2024 are as follows:

Total minimum lease payments remaining	\$ 118,180.42
Less: Amount representing interest	<u>12,333.31</u>
Present value of minimum lease payments	<u><u>\$ 105,847.11</u></u>

Five Years and Thereafter Payments

Principal and interest due on lease obligations outstanding at June 30, 2024 is as follows:

Fiscal Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 36,112.79	\$ 5,531.89	\$ 41,644.68
2026	28,479.39	3,530.25	32,009.64
2027	18,080.45	2,107.63	20,188.08
2028	16,169.20	986.66	17,155.86
2029	<u>7,005.28</u>	<u>176.88</u>	<u>7,182.16</u>
	<u><u>\$ 105,847.11</u></u>	<u><u>\$ 12,333.31</u></u>	<u><u>\$ 118,180.42</u></u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

8. NONCURRENT DEBT (CONTINUED)

E. Subscription Obligations

The implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, resulted in the recognition of right-of-use assets of \$16,047.37 and a prior period adjustment to net position of \$16,047.37. Amortization of the subscriptions are included in the capital assets.

The District entered into subscription arrangements for educational software and computer security. As of June 30, 2024, there are no payments remaining on the subscription arrangements and therefore no right-of-use liability to recognize.

9. 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 that 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 of Pension 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.

Teachers' Pension and Annuity Fund (TPAF)

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

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

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

Public Employees' Retirement System (PERS)

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

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

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

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Funding Policy: The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rate for TPAF and PERS is 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the 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 the 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.

During the year ended June 30, 2024 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Three-Year Trend Information for PERS</u>		<u>Employee</u> <u>Contribution</u>
	<u>Net Cost</u> <u>to District</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2024	\$ 519,412	100%	\$ 233,180
2023	456,109	100%	222,580
2022	423,823	100%	211,723

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>APC</u> <u>Contributed</u>	<u>Total</u> <u>On-Behalf of</u>	<u>Employee</u> <u>Contribution</u>	<u>TPAF</u> <u>FICA</u>
2024	100%	\$ 4,912,276	\$ 1,123,189	\$ 1,100,315
2023	100%	4,463,215	980,936	1,037,991
2022	100%	4,600,346	997,311	886,974

During the fiscal year ended June 30, 2024 the State of New Jersey contributed \$4,912,276 to the TPAF on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,100,315 during the year ended June 30, 2024 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 general-purpose financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022 Independent Auditor's Report dated May 24, 2024 and May 18, 2023, respectively.

The District reported a liability of \$5,629,034 and \$5,458,406 for its proportionate share of the net pension liability as of June 30, 2024 and June 30, 2023, respectively. The net pension liability was measured as of June 30, 2023 and June 30, 2022 (*Measurement Dates*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and July 1, 2021, which were rolled forward to the respective measurement dates. 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 school districts, actuarially determined.

	<u>June 30, [Measurement Date]</u>	
	<u>2023</u>	<u>2022</u>
District Proportionate Share	0.0388628063 %	0.0361690429 %
Difference - Increase	0.0026937634	

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2024, the District recognized pension benefit of \$445,930. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

The contribution policy for PERS is set by N.J.S.A. 43.15A and requires contributions by active members and contributing employers. Employee contributions for 2023 were seven and 50/100th percent (7.5%) for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions.

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

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Changes of Assumptions	\$ 12,366	\$ 341,144
Difference between expected and actual experience	53,821	23,010
Net difference between projected and actual earnings on pension plan investments	25,922	
Changes in proportion	519,777	17,613
District contributions subsequent to the measurement date	<u>521,126</u>	<u> </u>
Total	<u>\$ 1,133,012</u>	<u>\$ 381,767</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$521,126 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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2025	\$ 251,391
2026	140,312
2027	(196,083)
2028	35,091
2029	(597)
	<u>\$ 230,114.00</u>

Collective balances (Local Group) are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2023</u>	<u>2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Collective total pension expense/(benefit)	(79,181,803)	(1,032,778,934)
District's proportion of Local Group	0.0388628063 %	0.0361690429 %

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (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 rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study 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 *measurement date*) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 (*measurement date*) are summarized in the following table:

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Asset 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. Treasuries	4.00	3.31
Risk Mitigation Strategies	3.00	6.21
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 (*measurement date*). 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 actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2023 (*measurement date*), calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2023 [Measurement Date]</u>		
	<u>1% Decrease</u>	<u>At Current</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$ 7,327,805	\$ 5,629,034	\$ 4,183,156

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u>District's Proportionate Share</u>	<u>Employer's Pension Expense and Related Revenues</u>	
		<u>Ch.133 P.L. 2001 State Total</u>	<u>District's Share</u>
2023	0.0390103568 %	\$ 45,000,471	\$ 17,555
2022	0.0363135439	31,626,530	11,485
2021	- NOT AVAILABLE -		

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) or by visiting their website at www.state.nj.us/treasury/pensions/gasb-notices.shtml.

Teachers Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2023 and June 30, 2022 Independent Auditor's Reports dated May 24, 2024 and May 18, 2023, respectively.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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, 2024 (*Measurement Date* of June 30, 2023) was as follows:

	<i>[Measurement Date]</i> <u>June 30, 2023</u>
Net Pension Liability:	
Districts proportionate share	None
State's proportionate share associated with the District	<u>\$ 54,953,444</u>
	<u><u>\$ 54,953,444</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 July 1, 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. The proportion of the TPAF net pension liability associated with the District is as follows:

	<u>June 30, <i>[Measurement Date]</i></u>	
	<u>2023</u>	<u>2022</u>
District Proportionate Share	0.1076828724 %	0.1101948891 %
Difference - Decrease	(0.0025120167)	

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$1,350,046 for contributions provided by the State.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (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%

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, 2023 *measurement date*) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 (*measurement date*) are summarized in the table as follows:

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset 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. Treasuries	4.00	3.31
Risk Mitigation Strategies	3.00	6.21
	<u>100.00 %</u>	

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 actuarial determined contribution for the state. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

9. PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2024 (*measurement date* June 30, 2023) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	At 1% Increase <u>8.00%</u>
State's proportionate share of the net pension liability associated with the District	\$ 64,800,083	\$ 54,953,444	\$ 46,660,234

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group are as follows:

	June 30,	
	<u>2023</u>	<u>2022</u>
Deferred outflows of resources	\$ 2,498,730,891	\$ 4,996,491,160
Deferred inflows of resources	14,719,080,314	19,532,696,776
Net pension liability	51,032,669,551	51,594,415,806
Pension expense/(benefit)	1,292,291,943	1,424,884,581
District's proportionate share	0.1076828724 %	0.1101948891 %

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Data for the OPEB was abstracted from the State of New Jersey Local Education Retired Employees Plan as of June 30, 2023 and June 30, 2022 [*measurement dates*] Independent Auditor's Reports dated August 21, 2024 and September 27, 2023, respectively.

State Health Benefit State Retired Employees Plan

In Fiscal Year 2023, the State funded the various defined benefit pension systems at 105 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2022, which is required to be recorded on the financial statements, is \$79.8 billion. The Fiscal Year 2024 projected aggregate State contribution to the pension plans of \$7.1 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2023, the State paid PRM benefits for 162,671 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2023, the State contributed \$2.1 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.9 billion in Fiscal Year 2022. The State has appropriated \$2.3 billion in Fiscal Year 2024 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2023 State OPEB liability to provide these benefits is \$74.9 billion, a decrease of \$13.9 billion, or 15.7 percent from the \$88.8 billion liability recorded in Fiscal Year 2022. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Three-Year Trend Information for TPAF Medical (Paid on-behalf of the District)

<u>Fiscal Year Ended June 30,</u>	<u>Post-Retirement Medical</u>
2024	\$ 1,336,942.00
2023	1,172,476.00
2022	1,074,827.00

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

The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the following OPEB liability note information is derived from reports provided by the State of New Jersey Division of Pension and Benefits and is reported at the board of education level. Note that actual numbers are published in the NJ State's ACFR: (<https://www.nj.gov/treasury/omb/fr.shtml>).

The portion of the TPAF OPEB Liability that was associated with the District recognized at June 30, 2024 (*Measurement Date* June 30, 2023) was as follows:

Net OPEB Liability:

District's proportionate share	None
State's proportionate share associated with the District	<u>\$ 55,961,908.00</u>
	<u><u>\$ 55,961,908.00</u></u>

The proportion of the PERS and TPAF Net OPEB Liability associated with the District's liability is as follows:

<u>June 30, [Measurement Date]</u>	
<u>2023</u>	<u>2022</u>
0.1068757163 %	0.1055267600 %

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 (*measurement date*) was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u> (based on service years)	<u>PERS</u> (based on service years)
Salary increases	2.75-4.25%	2.75-6.55%

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine (9) years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

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

June 30, 2023 [<i>Measurement Date</i>]		
At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
\$ 65,605,730	\$ 55,961,908	\$ 48,219,039

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

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

June 30, 2023 [<i>Measurement Date</i>]		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 46,457,011	\$ 55,961,908	\$ 68,399,090

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate
(Continued)

Shown below are details regarding the Total OPEB Liability for the measurement period from June 30, 2022 to June 30, 2023:

	<u>Total OPEB Liability</u>
<i>Balance as of June 30, 2022 Measurement Date</i>	\$ 53,445,573
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 2,482,067
Interest Cost	1,970,910
Changes of Assumptions	112,796
Difference between Expected and Actual Experience	(563,589)
Gross Benefit Payments	(1,536,356)
Contributions from the Members	<u>50,507</u>
Net Changes	\$ 2,516,335
Balance as of June 30, 2023 <i>Measurement Date</i>	<u>\$ 55,961,908</u>

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

The components of the Net OPEB Liability as of June 30, 2023 (*Measurement Date*) are as follows:

	<u>Measurement Date</u> <u>June 30, 2023</u>
Total OPEB Liability	\$ 55,961,908
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 55,961,908
Net Position as a Percentage of OPEB Liability	0.0%
OPEB Expense	\$ 2,737,753

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2024, the board of education recognized OPEB expense of \$2,737,753 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District 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. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2023 under GASB 75 prior to any reduction due to the Fiscal Year 2024 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes of Assumptions	\$ 7,957,854	\$ 15,443,486
Differences between Actual and Expected Experience	8,165,003	14,739,808
Changes in Proportion	<u>6,165,416</u>	<u>5,146</u>
Sub-total	22,288,273	30,188,440
Contributions made in Fiscal Year Ending 2024 After June 30, 2023 <i>Measurement Date</i>	<u>None</u>	<u>None</u>
Total	<u><u>\$ 22,288,273</u></u>	<u><u>\$ 30,188,440</u></u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Amount</u>
2025	\$ (2,790,766)
2026	(2,790,766)
2027	(2,425,569)
2028	(1,430,024)
2029	(292,709)
Total Thereafter	(4,330,604)

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Education Group are as follows:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Deferred outflows of resources	\$ 17,347,811,894	\$ 20,104,625,333
Deferred inflows of resources	30,503,688,706	34,996,842,046
Net OPEB liability	52,361,668,239	50,646,462,966
OPEB expense	1,369,124,126	1,595,653,562

Other

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

11. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences 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 vacation and sick leave in varying amounts in accordance with various employment agreements under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absence balance of the governmental funds is reported separately on the Statement of Net Position.

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 fund types.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

12. DEFERRED COMPENSATION

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

- AXA Equitable
- Lincoln National Life
- Legend Employee Benefit
- Siracusa Benefits Program
- AIG/Variable Annuity Life Insurance Co.
- Security Benefit Life Insurance Company
- Ameriprise/IDS Financial Services

13. RISK MANAGEMENT

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

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

Health Benefits: The District has elected to provide health insurance to its employees based on a monthly per employee premium basis (a traditional plan).

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.

14. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivable or interfund payable balances as of June 30, 2024.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

15. FUND BALANCE APPROPRIATED

General Fund – Of the \$7,857,491.80 General Fund fund balance at June 30, 2024, \$4,741,031.21 is restricted for capital reserve; \$1,075,964.59 is restricted for maintenance reserve; \$918,286.91 is restricted excess surplus designated for subsequent year's expenditures, \$14,170.62 is FFCRA/SEMI funds assigned for designated for subsequent year's expenditures, \$568,851.94 is restricted for unemployment claims, \$128,011.79 is reserved excess surplus, and \$411,174.74 is assigned for other purposes.

Special Revenue Fund – The balance of \$(80,549.00) at June 30, 2024 consisted of \$20,156.34, restricted for student activities, \$730.00 restricted for scholarship and a deficit of \$101,435.34.

Debt Service Fund – All of the \$0.23 fund balance at June 30, 2024 is restricted for Debt Service.

Capital Projects Fund – The \$6,549,359.73 Capital Projects Fund fund balance at June 30, 2024 consisted of \$5,249,359.73 for the balance of 2017 bond proceeds remaining after the court ordered 2017 expansion project has been closed out and the grant funds have all been received and \$1,300,000.00 advanced from the General Fund for replacement of boilers which are expected to be reimbursed from an NJ ROD grant.

16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004 c73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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. There was excess surplus on the budgetary basis of accounting (refer to Note 17) as a result of fiscal year 2022-2023 school year of \$918,286.91 and for fiscal year 2023-2024 school year of \$1,754,485.13.

17. RECONCILIATION OF FUND BALANCES – GENERAL FUND

The Unreserved General fund balance is presented on a GAAP basis and a reconciliation to the budgetary basis is as follows:

	<u>Unassigned - Fund Balance</u>	<u>Reserve for Excess Surplus</u>
Balance on a budgetary basis as per general fund budgetary comparison (Schedule C-1)	\$ 901,709.66	\$ 1,754,485.13
Less: Allocation of State aid payment of \$2,528,183.00 not recognized on a GAAP basis	<u>901,709.66</u>	<u>1,626,473.34</u>
Balances on a GAAP basis on the governmental fund balance sheet (Schedule B-1)	<u>None</u>	<u>\$ 128,011.79</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

18. CONTINGENT LIABILITIES

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- F. **Pending Litigation** – As of the date of this report, the management has represented that there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the District.
- G. **Commitments** - The District has contractual commitments at June 30, 2024 to various vendors, which are recorded as fund balance assigned for other purposes in the amount of \$411,174.74 in the General Fund and \$938,975.00 in the Capital Projects Fund.

19. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

20. NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$32,725,480.40 indicated as part of the Governmental Activities net position is calculated as follows:

	<u>Amount</u>
Capital assets, net of depreciation and amortization	\$ 45,361,327.51
Bonds payable (used to build or acquire capital assets)	(12,530,000.00)
Lease payable	<u>(105,847.11)</u>
	<u>\$ 32,725,480.40</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

21. TAX ABATEMENTS

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

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 provision 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.

The Borough of Freehold provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by the Borough of Freehold are for senior citizen housing projects and a technology center. Taxes abated include municipal, local school and county taxes.

The Borough of Freehold recognized revenue of \$430,000 from the annual service charge in lieu of payment of taxes in 2024 that otherwise would have been due on these long-term tax exemptions amounted to \$1,403,937 based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$973,937 abatement would have been allocated to the District.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 10,283,236.00		\$ 10,283,236.00	\$ 10,283,236.00	
Miscellaneous-Restricted				30,266.68	\$ (30,266.68)
Miscellaneous-Unrestricted	<u>35,032.00</u>		<u>35,032.00</u>	<u>197,580.44</u>	<u>(162,548.44)</u>
Total - local sources	<u>10,318,268.00</u>		<u>10,318,268.00</u>	<u>10,511,083.12</u>	<u>(192,815.12)</u>
State sources:					
Categorical Special Education Aid	1,438,457.00		1,438,457.00	1,438,457.00	
Categorical Transportation Aid	407,350.00		407,350.00	407,350.00	
Categorical Security Aid	739,721.00		739,721.00	739,721.00	
Equalization Aid	22,819,594.00		22,819,594.00	22,819,594.00	
Extraordinary Aid	150,000.00	\$ 160,339.00	310,339.00	504,030.00	(193,691.00)
Nonpublic transportation - cost reimbursement				5,460.00	(5,460.00)
On behalf - TPAF - pension contributions (nonbudgeted)				4,912,276.00	(4,912,276.00)
On behalf - TPAF - post retirement medical (nonbudgeted)				1,336,942.00	(1,336,942.00)
On behalf - TPAF - non-contributory insurance (nonbudgeted)				2,224.00	(2,224.00)
Reimbursed TPAF social security contributions (nonbudgeted)				<u>1,100,314.81</u>	<u>(1,100,314.81)</u>
Total - state sources	<u>25,555,122.00</u>	<u>160,339.00</u>	<u>25,715,461.00</u>	<u>33,266,368.81</u>	<u>(7,550,907.81)</u>
Federal sources:					
Medical assistance program	<u>149,312.00</u>		<u>149,312.00</u>	<u>179,996.96</u>	<u>(30,684.96)</u>
Total - federal sources	<u>149,312.00</u>		<u>149,312.00</u>	<u>179,996.96</u>	<u>(30,684.96)</u>
Total revenues	\$ <u>36,022,702.00</u>	\$ <u>160,339.00</u>	\$ <u>36,183,041.00</u>	\$ <u>43,957,448.89</u>	\$ <u>(7,774,407.89)</u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Preschool					
Kindergarten	\$ 728,644.00	\$ (165,915.00)	\$ 562,729.00	\$ 534,880.62	\$ 27,848.38
Grades 1 - 5	3,771,110.00	216,710.00	3,987,820.00	3,896,635.28	91,184.72
Grades 6 - 8	2,255,580.00	167,637.00	2,423,217.00	2,370,934.23	52,282.77
	<u>6,755,334.00</u>	<u>218,432.00</u>	<u>6,973,766.00</u>	<u>6,802,450.13</u>	<u>171,315.87</u>
Home instruction:					
Salaries of teachers	8,500.00	(2,095.00)	6,405.00	6,405.00	
Purchased professional - educational services	3,600.00	2,095.00	5,695.00	4,890.00	805.00
Total home instruction	<u>12,100.00</u>		<u>12,100.00</u>	<u>11,295.00</u>	<u>805.00</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	184,098.00	37,293.00	221,391.00	221,388.81	2.19
Purchased professional - educational services	433,884.00	(70,115.97)	363,768.03	307,138.69	56,629.34
Lease Purchase Equipment	273,589.00	(269,404.00)	4,185.00		4,185.00
Other purchased services (400-500 series)	90,050.00	9,390.71	99,440.71	94,216.73	5,223.98
Travel	2,600.00		2,600.00	140.44	2,459.56
General supplies	548,400.00	98,090.42	646,490.42	571,617.15	74,873.27
Textbooks	28,400.00		28,400.00	119.70	28,280.30
Other objects	8,200.00		8,200.00	1,988.00	6,212.00
Total regular programs - instruction	<u>1,569,221.00</u>	<u>(194,745.84)</u>	<u>1,374,475.16</u>	<u>1,196,609.52</u>	<u>177,865.64</u>
Total regular programs - instruction	<u>8,336,655.00</u>	<u>23,686.16</u>	<u>8,360,341.16</u>	<u>8,010,354.65</u>	<u>349,986.51</u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Multiple disabilities:					
Salaries of teachers	\$ 739,526.00	\$ 40,173.00	\$ 779,699.00	\$ 776,597.55	\$ 3,101.45
Other salaries for instruction	499,799.00	63,996.00	563,795.00	553,233.40	10,561.60
Purchased Professional Education Service	449,342.00	76,341.00	525,683.00	525,683.00	
General supplies	4,450.00	2,500.00	6,950.00	4,846.95	2,103.05
Textbooks	4,500.00	(2,500.00)	2,000.00	1,799.60	200.40
Other Objects	2,300.00		2,300.00	1,087.04	1,212.96
Total multiple disabilities	<u>1,699,917.00</u>	<u>180,510.00</u>	<u>1,880,427.00</u>	<u>1,863,247.54</u>	<u>17,179.46</u>
Special education instruction:					
Resource room/resource center:					
Salaries of teachers	2,115,451.00	36,203.00	2,151,654.00	2,151,653.27	0.73
Other salaries for instruction	104,239.00		104,239.00	97,940.00	6,299.00
Purchased Professional Educational Services	50,456.00	(48,007.00)	2,449.00		2,449.00
Travel	500.00	(500.00)			
General supplies	4,500.00	1,206.00	5,706.00	5,514.55	191.45
Other Objects	2,500.00	(2,105.00)	395.00	30.97	364.03
Total resource room/resource center	<u>2,277,646.00</u>	<u>(13,203.00)</u>	<u>2,264,443.00</u>	<u>2,255,138.79</u>	<u>9,304.21</u>
Preschool disabilities - full-time:					
Salaries of teachers	238,160.00		238,160.00	235,267.00	2,893.00
Other salaries for instruction	157,923.00	(142,355.00)	15,568.00	15,476.99	91.01
Purchased Professional Educational Services	201,825.00	124,790.00	326,615.00	321,653.70	4,961.30
General supplies	2,500.00		2,500.00	1,991.51	508.49
Total Preschool disabilities - full-time	<u>600,408.00</u>	<u>(17,565.00)</u>	<u>582,843.00</u>	<u>574,389.20</u>	<u>8,453.80</u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Home Instruction					
Early childhood:					
Salaries special ed. home instruction	\$ 8,000.00		\$ 8,000.00	\$ 1,060.00	\$ 6,940.00
Purchased Professional - Educational Services	15,000.00	\$ (14,315.00)	685.00		685.00
Total early childhood	23,000.00	(14,315.00)	8,685.00	1,060.00	7,625.00
Total special education - instruction	4,600,971.00	135,427.00	4,736,398.00	4,693,835.53	42,562.47
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	748,105.00	(56,028.00)	692,077.00	574,246.53	117,830.47
General supplies	250.00		250.00	149.97	100.03
Total basic skills/remedial - instruction	748,355.00	(56,028.00)	692,327.00	574,396.50	117,930.50
Bilingual education - instruction:					
Salaries of teachers	1,399,372.00	109,900.00	1,509,272.00	1,481,541.94	27,730.06
Purchased professional - educational services	51,750.00		51,750.00	48,900.00	2,850.00
General supplies	7,400.00		7,400.00	6,690.08	709.92
Textbooks	4,000.00		4,000.00	2,317.44	1,682.56
Total bilingual education - instruction	1,462,522.00	109,900.00	1,572,422.00	1,539,449.46	32,972.54
School sponsored co/extracurricular activities - instruction:					
Salaries	47,350.00	23,855.00	71,205.00	69,855.00	1,350.00
Purchased services (300-500 series)	3,500.00	(1,850.00)	1,650.00	497.50	1,152.50
Supplies and materials	3,400.00	(750.00)	2,650.00	1,844.06	805.94
Other Objects	6,250.00	100.00	6,350.00	4,824.00	1,526.00
Total school sponsored co/extracurricular activities - inst.	60,500.00	21,355.00	81,855.00	77,020.56	4,834.44

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
School sponsored athletic - instruction:					
Salaries	\$ 44,529.00	\$ 13,456.00	\$ 57,985.00	\$ 57,941.25	\$ 43.75
Purchased services	500.00		500.00		500.00
Supplies and Materials	15,000.00	87.24	15,087.24	15,086.30	0.94
Other objects	21,000.00	(19,292.00)	1,708.00	1,708.00	
Transfer to cover deficit	5,000.00	(82.00)	4,918.00	2,300.00	2,618.00
Total school sponsored athletic - instruction	86,029.00	(5,830.76)	80,198.24	77,035.55	3,162.69
Total other instructional programs	2,357,406.00	69,396.24	2,426,802.24	2,267,902.07	158,900.17
Total instructional programs	15,295,032.00	228,509.40	15,523,541.40	14,972,092.25	551,449.15
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state - regular		143,200.00	143,200.00	143,185.71	14.29
Tuition to other LEAs within the state - special	410,081.00	600,000.00	1,010,081.00	904,044.69	106,036.31
Tuition to private school for the disabled - state	1,278,141.00	(609,861.00)	668,280.00	239,906.54	428,373.46
Tuition-Other	19,173.00		19,173.00	924.00	18,249.00
Total undistributed expenditures - instruction	1,707,395.00	133,339.00	1,840,734.00	1,288,060.94	552,673.06
Attendance and social work:					
Salaries	51,200.00	746.00	51,946.00	51,946.00	
Total attendance and social work	51,200.00	746.00	51,946.00	51,946.00	
Health services:					
Salaries	316,226.00	33,254.00	349,480.00	289,041.93	60,438.07
Purchased professional - technical services	469,700.00	(36,600.00)	433,100.00	155,804.05	277,295.95
Other purchased services	2,300.00		2,300.00	279.00	2,021.00
Travel-All Other	500.00		500.00		500.00
Supplies and Materials	28,550.00	(7,408.00)	21,142.00	6,755.13	14,386.87
Other Objects	2,200.00		2,200.00		2,200.00
Total health services	819,476.00	(10,754.00)	808,722.00	451,880.11	356,841.89

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other support services - students - related services:					
Salaries	\$ 510,131.00	\$ (12,478.00)	\$ 497,653.00	\$ 494,438.70	\$ 3,214.30
Purchased professional - educational services	205,500.00	21,836.00	227,336.00	227,336.00	
Supplies and materials	9,000.00		9,000.00	6,532.18	2,467.82
Total other support service - student - related services	724,631.00	9,358.00	733,989.00	728,306.88	5,682.12
Other support services - students - extraordinary services:					
Purchased professional - educational services	58,500.00	(22,100.00)	36,400.00	1,450.00	34,950.00
Supplies and materials	19,000.00		19,000.00		19,000.00
Total other support service - student - extraordinary services	77,500.00	(22,100.00)	55,400.00	1,450.00	53,950.00
Other support services - students - regular:					
Salaries of other professional staff	269,914.00	26,809.00	296,723.00	296,722.79	0.21
Salaries of secretarial and clerical assistants	98,824.00	1,177.00	100,001.00	90,350.92	9,650.08
Unused vacation payment	4,900.00		4,900.00		4,900.00
Other Purchased services (400-500 series)	80,360.00		80,360.00	58,389.77	21,970.23
Supplies and materials	7,550.00		7,550.00	4,091.48	3,458.52
Other objects	2,248.00		2,248.00	385.00	1,863.00
Total other support services - students - regular	463,796.00	27,986.00	491,782.00	449,939.96	41,842.04
Other support services - students - special:					
Salaries of other professional staff	545,950.00	6,146.00	552,096.00	526,089.49	26,006.51
Salaries of secretarial and clerical assistants	119,216.00	1,404.00	120,620.00	119,719.92	900.08
Salaries - other	7,000.00	10,193.00	17,193.00	17,192.40	0.60
Purchased professional - educational services	77,300.00	26,907.00	104,207.00	61,653.95	42,553.05
Other purchased professional and technical services	28,500.00		28,500.00	27,207.12	1,292.88
Other purchased services	3,428.00		3,428.00	946.37	2,481.63
Travel	2,000.00		2,000.00	444.15	1,555.85
Supplies and materials	16,000.00	1,442.25	17,442.25	13,072.37	4,369.88
Other objects	1,200.00		1,200.00	1,010.00	190.00
Total other support services - students - special	800,594.00	46,092.25	846,686.25	767,335.77	79,350.48

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 291,749.00	\$ 1,769.00	\$ 293,518.00	\$ 293,517.96	\$ 0.04
Salaries of other professional staff	34,500.00	(24,016.00)	10,484.00	8,040.00	2,444.00
Salaries of secretarial and clerical assistants	72,820.00	892.00	73,712.00	71,511.96	2,200.04
Salaries of Facilitators, Math Coaches and Literacy Coaches	142,829.00	(47,334.00)	95,495.00	95,494.69	0.31
Purchased professional - technical services	7,550.00	(2,910.00)	4,640.00	4,555.00	85.00
Travel	4,300.00		4,300.00	3,157.95	1,142.05
Other Purchased Services	1,856.00	(1,856.00)			
Supplies and materials	4,439.00		4,439.00	2,047.19	2,391.81
Other objects	4,500.00		4,500.00	3,251.00	1,249.00
Total improvement of instructional services	<u>564,543.00</u>	<u>(73,455.00)</u>	<u>491,088.00</u>	<u>481,575.75</u>	<u>9,512.25</u>
Educational media service/school library:					
Salaries of supervisors of instruction	105,792.00		105,792.00	90,863.00	14,929.00
Salaries - Other	24,551.00		24,551.00	13,465.00	11,086.00
Purchased professional technical services	58,500.00	162.00	58,662.00	54,651.00	4,011.00
Supplies and materials	18,900.00	(162.00)	18,738.00	14,272.03	4,465.97
Total educational media service/school library	<u>207,743.00</u>		<u>207,743.00</u>	<u>173,251.03</u>	<u>34,491.97</u>
Instructional staff training services:					
Salaries of supervisors of instruction	74,790.00	442.00	75,232.00	75,231.48	0.52
Salaries of other staff	775.00		775.00	240.00	535.00
Purchased Professional - Educational Services	6,450.00		6,450.00	4,779.00	1,671.00
Rental	1,300.00		1,300.00		1,300.00
Travel	15,325.00	(3,342.00)	11,983.00	4,189.99	7,793.01
Other purchased services (400-500 series)	4,000.00		4,000.00	690.00	3,310.00
Supplies and materials	7,030.00		7,030.00	624.99	6,405.01
Total instructional staff training services	<u>109,670.00</u>	<u>(2,900.00)</u>	<u>106,770.00</u>	<u>85,755.46</u>	<u>21,014.54</u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Support services - general administration:					
Salaries	\$ 316,285.00	\$ (26,985.00)	\$ 289,300.00	\$ 280,938.96	\$ 8,361.04
Legal services	35,000.00		35,000.00	18,824.70	16,175.30
Audit fees	52,000.00		52,000.00	43,850.00	8,150.00
Architect fees	25,000.00	(6,655.00)	18,345.00	10,374.75	7,970.25
Other purchased professional services	16,400.00		16,400.00	4,965.00	11,435.00
Purchased Technical Services	10,000.00	3,125.00	13,125.00	11,451.00	1,674.00
Communications/telephone	121,800.00	1,600.00	123,400.00	101,114.57	22,285.43
Travel	4,000.00	(1,525.00)	2,475.00	1,070.30	1,404.70
BOE other purchased services	6,500.00	1,181.00	7,681.00	6,720.00	961.00
Miscellaneous purchased services	107,447.00	(3,463.00)	103,984.00	100,766.40	3,217.60
BOE In-house training/meeting supplies	400.00		400.00		400.00
General Supplies	8,200.00	15,670.00	23,870.00	22,763.94	1,106.06
Miscellaneous expenditures	4,100.00	7,632.00	11,732.00	11,510.58	221.42
BOE membership dues and fees	2,700.00	17,165.00	19,865.00	19,795.78	69.22
Total support services - general administration	709,832.00	7,745.00	717,577.00	634,145.98	83,431.02
Support services - school administration:					
Salaries of principals/assistant principals	550,483.00	5,235.00	555,718.00	555,714.24	3.76
Salaries of secretarial and clerical assistants	346,047.00	(6,963.00)	339,084.00	338,784.81	299.19
Purchased professional & technical services	11,000.00	600.00	11,600.00	11,583.81	16.19
Other purchased services (400-500 series)	24,050.00	7,000.00	31,050.00	28,220.50	2,829.50
Travel	4,000.00	(1,405.00)	2,595.00	360.00	2,235.00
Supplies and materials	33,400.00	(3,967.00)	29,433.00	20,033.54	9,399.46
Other objects	6,000.00	(500.00)	5,500.00	4,177.00	1,323.00
Total support services - school administration	974,980.00		974,980.00	958,873.90	16,106.10

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 511,167.00	\$ 19,759.00	\$ 530,926.00	\$ 530,387.76	\$ 538.24
Purchased professional services	19,000.00	1,075.00	20,075.00	4,875.00	15,200.00
Purchased technical services	44,150.00	64,370.96	108,520.96	103,930.74	4,590.22
Miscellaneous purchased services (400-500 series)	8,708.00	5,405.00	14,113.00	13,505.88	607.12
Supplies and materials	17,300.00	(1,905.00)	15,395.00	13,476.72	1,918.28
Miscellaneous expenditures	11,994.00	(750.00)	11,244.00	8,103.68	3,140.32
Total central services	612,319.00	87,954.96	700,273.96	674,279.78	25,994.18
Admin. info. Technology:					
Salaries	379,062.00	3,831.00	382,893.00	382,892.77	0.23
Purchased technical services	33,905.00	(1,840.00)	32,065.00	16,484.09	15,580.91
Other purchased services (400-500 series)	3,600.00		3,600.00	1,759.67	1,840.33
Supplies and materials	4,250.00		4,250.00	4,180.06	69.94
Total admin. Info. Technology	420,817.00	1,991.00	422,808.00	405,316.59	17,491.41
Required maintenance for school facilities:					
Salaries	130,588.00	9,021.00	139,609.00	125,557.29	14,051.71
Cleaning, repair, and maintenance services	335,000.00	165,194.08	500,194.08	441,969.95	58,224.13
General supplies	20,650.00	17,500.00	38,150.00	34,739.89	3,410.11
Other objects	3,500.00	500.00	4,000.00	3,403.75	596.25
Total required maintenance for school facilities	489,738.00	192,215.08	681,953.08	605,670.88	76,282.20

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other operation and maintenance of plant:					
Salaries	\$ 723,744.00	\$ 67,508.00	\$ 791,252.00	\$ 790,891.85	\$ 360.15
Salaries of Non-Instructional Aides	118,656.00	41,244.00	159,900.00	159,900.00	
Purchased professional and technical services	7,570.00		7,570.00	3,900.00	3,670.00
Cleaning, repair and maintenance services	30,165.00	11,100.00	41,265.00	33,248.27	8,016.73
Insurance	259,749.00	(30,670.00)	229,079.00	229,078.98	0.02
Miscellaneous purchased services	2,610.00		2,610.00	910.84	1,699.16
General supplies	130,000.00	(2,830.00)	127,170.00	123,433.57	3,736.43
Energy (natural gas)	172,200.00	(11,000.00)	161,200.00	127,840.77	33,359.23
Energy (heat and electricity)	288,750.00	13,000.00	301,750.00	295,053.62	6,696.38
Total other operation and maintenance of plant	1,733,444.00	88,352.00	1,821,796.00	1,764,257.90	57,538.10
Care and upkeep of grounds:					
Salaries	52,972.00	5,830.00	58,802.00	58,801.26	0.74
Cleaning, repair and maintenance services	138,850.00	(48,344.42)	90,505.58	86,952.33	3,553.25
General supplies	16,000.00	(15,000.00)	1,000.00	999.80	0.20
Total care and upkeep of grounds	207,822.00	(57,514.42)	150,307.58	146,753.39	3,554.19
Security:					
Salaries	77,572.00	15,185.00	92,757.00	92,756.04	0.96
Purchased professional and technical services	80,000.00	10,030.00	90,030.00	89,790.50	239.50
General supplies	35,000.00	(6,000.00)	29,000.00	23,556.59	5,443.41
Total security	192,572.00	19,215.00	211,787.00	206,103.13	5,683.87
Total operation and maintenance of plant	2,623,576.00	242,267.66	2,865,843.66	2,722,785.30	143,058.36

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED):					
CURRENT EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation:					
Contracted services - Salaries of non-instructional aides	\$ 1,500.00	\$ 975.00	\$ 2,475.00	\$ 2,475.00	
Contracted services - aid in lieu of payments - nonpublic schools	17,000.00		17,000.00	9,320.00	\$ 7,680.00
Contracted services - aid in lieu of payments - charter schools	1,000.00		1,000.00		1,000.00
Contracted services - Vendors (other than between home & school)	57,500.00	7,125.00	64,625.00	60,766.00	3,859.00
Contracted services - Special Education Students - vendors	12,240.00		12,240.00	4,725.00	7,515.00
Contracted services (special education students) - joint agreements	491,400.00		491,400.00	455,000.00	36,400.00
Contracted Services - Reg Ed - ESC & CTSA	410,000.00	(75,000.00)	335,000.00	135,928.52	199,071.48
Contracted services (special education students) - ESC & CTSA	929,407.00		929,407.00	813,419.21	115,987.79
Total student transportation	1,920,047.00	(66,900.00)	1,853,147.00	1,481,633.73	371,513.27
Unallocated benefits:					
Group Insurance	63,678.00		63,678.00	58,716.20	4,961.80
Social security contribution	444,704.00		444,704.00	422,555.50	22,148.50
Other retirement contributions - regular	544,271.00	(27,500.00)	516,771.00	501,364.54	15,406.46
Unemployment compensation	30,000.00		30,000.00	574.50	29,425.50
Workmen's compensation	153,075.00		153,075.00	132,690.00	20,385.00
Health benefits	6,312,501.00	(443,748.00)	5,868,753.00	5,135,092.32	733,660.68
Tuition reimbursement	35,000.00		35,000.00	27,241.00	7,759.00
Other employee benefits	33,800.00	36,320.00	70,120.00	66,318.34	3,801.66
Total unallocated benefits	7,617,029.00	(434,928.00)	7,182,101.00	6,344,552.40	837,548.60
Total personal services - employee benefits	7,617,029.00	(434,928.00)	7,182,101.00	6,344,552.40	837,548.60
On behalf - TPAF - pension contributions (non budgeted)				4,912,276.00	(4,912,276.00)
On behalf - TPAF - post retirement medical (non budgeted)				1,336,942.00	(1,336,942.00)
On behalf - TPAF - non-contributory insurance (non budgeted)				2,224.00	(2,224.00)
Reimbursed TPAF social security contributions (non budgeted)				1,100,314.81	(1,100,314.81)
Total on behalf - Contributions				7,351,756.81	(7,351,756.81)
Total undistributed expenditures	20,405,148.00	(53,557.13)	20,351,590.87	25,052,846.39	(4,701,255.52)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 35,700,180.00	\$ 174,952.27	\$ 35,875,132.27	\$ 40,024,938.64	\$ (4,149,806.37)

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES (CONTINUED):					
CAPITAL OUTLAY:					
Equipment:					
Undistributed expenditures:					
Required Maintenance		\$ 10,514.84	\$ 10,514.84	\$ 10,514.84	
Care and Upkeep of Grounds		13,000.00	13,000.00	13,000.00	
Total undistributed expenditure equipment		23,514.84	23,514.84	23,514.84	
Facilities Acquisition and Construction Services:					
Land and Improvements	\$ 743,982.00	189,406.00	933,388.00	37,967.63	\$ 895,420.37
Architectural / Engineering Services		657,274.10	657,274.10	496,054.82	161,219.28
Assessment for Debt Service on SDA Funding	22,899.00		22,899.00	22,899.00	
Total facilities acquisition and construction services	766,881.00	846,680.10	1,613,561.10	556,921.45	1,056,639.65
Assets acquired under leases (nonbudgeted):					
Lease purchase agreements - principal				45,675.79	(45,675.79)
Total assets acquired under leases (nonbudgeted)				45,675.79	(45,675.79)
TOTAL EXPENDITURES - CAPITAL OUTLAY	766,881.00	870,194.94	1,637,075.94	626,112.08	1,010,963.86
TOTAL GENERAL FUND EXPENDITURES	\$ 36,467,061.00	\$ 1,045,147.21	\$ 37,512,208.21	\$ 40,651,050.72	\$ (3,138,842.51)
Excess/(deficiency) of revenues over/(under) expenditures	(444,359.00)	(884,808.21)	(1,329,167.21)	3,306,398.17	(4,635,565.38)
Other financing sources/(uses):					
Operating Transfers in/(out):					
Interest on Capital Projects				284,165.35	(284,165.35)
Leases (nonbudgeted)				45,675.79	(45,675.79)
Transfer to Capital Projects Fund		(1,300,000.00)	(1,300,000.00)	(1,300,000.00)	
Transfer to Special Revenue Fund - Pre-School Local	(460,499.00)	(113,816.00)	(574,315.00)	(574,315.00)	
Total other financing sources/(uses)	(460,499.00)	(1,413,816.00)	(1,874,315.00)	(1,544,473.86)	(329,841.14)
Excess/deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	(904,858.00)	(2,298,624.21)	(3,203,482.21)	1,761,924.31	(4,965,406.52)

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Fund balance, July 1	\$ 8,623,750.49		\$ 8,623,750.49	\$ 8,623,750.49	
Fund balance, June 30	\$ 7,718,892.49	\$ (2,298,624.21)	\$ 5,420,268.28	\$ 10,385,674.80	\$ (4,965,406.52)
Detail of: Fund balance appropriated	\$ 904,858.00				
Detail of budget transfers:					
Reserve for prior year-end encumbrances		\$ 707,149.46			
Withdrawal from Maintenance Reserve		90,648.75			
Withdrawal from Capital Reserve		1,500,826.00			
		\$ 2,298,624.21			
Recapitulation of fund balance:					
Restricted:					
Unemployment				\$ 568,851.94	
Maintenance reserve				1,075,964.59	
Capital reserve				4,741,031.21	
Reserve for Excess Surplus				1,754,485.13	
Reserve for Excess Surplus - Designated for Subsequent Year's Expenditures				918,286.91	
Committed for year-end encumbrances				411,174.74	
Assigned - FFCRA/SEMI - Designated for Subsequent Year's Expenditures				14,170.62	
Unassigned				901,709.66	
				\$ 10,385,674.80	
Less: Last two (2) state aid payments not recognized on GAAP basis				(2,528,183.00)	
Fund balance per governmental funds (GAAP)				\$ 7,857,491.80	

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Revenues</u>				
State Sources:				
Preschool Education	\$ 1,775,959.00	\$ 1,775,959.00	\$ 1,188,295.34	\$ 587,663.66
Non-Public Textbooks	14,857.00	14,857.00	13,664.88	1,192.12
Non-Public Nursing	30,840.00	30,840.00	30,828.50	11.50
Non-Public Security	52,685.00	52,685.00	45,853.71	6,831.29
Non-Public Technology	12,593.00	12,593.00	11,010.36	1,582.64
Non-Public Auxiliary	64,949.00	64,949.00	55,528.15	9,420.85
Non-Public Handicapped	47,422.00	47,422.00	33,566.91	13,855.09
Recreation Improvement	71,000.00	71,000.00	30,656.53	40,343.47
SDA Grant	37,356.30	37,356.30	6,300.00	31,056.30
Total State Sources	2,107,661.30	2,107,661.30	1,415,704.38	691,956.92
Federal Sources:				
Title I	757,559.00	757,559.00	696,494.76	61,064.24
Title II, Part A	79,096.00	79,096.00	62,734.44	16,361.56
Title III	83,110.00	83,110.00	71,517.67	11,592.33
Title III - Immigrant	16,035.00	16,035.00	12,909.86	3,125.14
Title IV	17,700.00	17,700.00	15,947.57	1,752.43
I.D.E.A. Part B, Basic	600,068.00	600,068.00	579,620.36	20,447.64
I.D.E.A. Part B, Preschool	21,782.00	21,782.00	21,782.00	-
CRRSA ESSER II	7,533.94	7,533.94	7,533.94	-
CRRSA Learning Acceleration	25,959.45	25,959.45	25,959.45	-
CRRSA Mental Health	4,212.29	4,212.29	4,212.00	0.29
ARP Learning Acceleration	44,673.70	44,673.70	44,673.70	-
ARP ESSER	5,830,106.47	5,830,106.47	5,723,958.90	106,147.57
ARP Beyond the School Day	18,912.76	18,912.76	18,912.76	-
ARP Homeless	1,035.00	1,035.00	-	1,035.00
ARP I.D.E.A. Part B, Basic	502.72	502.72	502.72	-
High Impact Tutoring	154,000.00	154,000.00	135,181.36	18,818.64
21st Century	643,234.09	643,234.09	453,947.93	189,286.16
Total Federal Sources	8,305,520.42	8,305,520.42	7,875,889.42	429,631.00
Local Sources:				
Student Activities	92,541.74	92,541.74	65,093.42	27,448.32
Scholarships	930.00	930.00	45.00	885.00
Other	67,004.98	67,004.98	54,912.09	12,092.89
Total Local Sources	160,476.72	160,476.72	120,050.51	40,426.21
Total Revenues	\$ 10,573,658.44	\$ 10,573,658.44	\$ 9,411,644.31	\$ 1,162,014.13

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Expenditures</u>				
Instruction:				
Salaries of Teachers	\$ 1,443,570.42	\$ 1,443,570.42	\$ 1,324,617.55	\$ 118,952.87
Other Salaries for Instruction	198,192.00	198,192.00	188,374.02	9,817.98
Salaries of Facilitators	44,673.70	44,673.70	44,673.70	-
Purchased Professional and Technical Services	280,370.00	280,370.00	258,627.51	21,742.49
Purchased Professional - Educational Services	110,906.00	110,906.00	110,906.00	-
Other Purchased Services	567,885.00	567,885.00	549,700.43	18,184.57
General Supplies	301,513.81	301,513.81	238,823.62	62,690.19
Other Objects	30,482.00	30,482.00	6,706.00	23,776.00
Total Instruction	<u>2,977,592.93</u>	<u>2,977,592.93</u>	<u>2,722,428.83</u>	<u>255,164.10</u>
Support Services:				
Salaries - Personnel Services	\$ 121,900.00	\$ 121,900.00	\$ 98,240.00	\$ 23,660.00
Salaries of Teachers	24,880.00	24,880.00	20,880.00	4,000.00
Salaries of Principals and Program Directors	62,189.00	62,189.00	60,988.88	1,200.12
Salaries of Other Professional Staff	155,304.00	155,304.00	152,839.76	2,464.24
Salaries of Secretarial and Clerical Assistants	54,250.00	54,250.00	49,450.00	4,800.00
Other Salaries	236,282.46	236,282.46	171,365.87	64,916.59
Salaries of Facilitators	43,874.00	43,874.00	43,873.80	0.20
Employee Benefits	759,141.90	759,141.90	687,381.25	71,760.65
Purchased Professional and Technical Services	204,678.63	204,678.63	137,737.58	66,941.05
Professional Education - Head Start	273,300.00	273,300.00	273,300.00	-
Other Purchased Professional and Technical Services	14,000.00	14,000.00	11,000.00	3,000.00
Other Purchased Services	30,109.22	30,109.22	16,845.91	13,263.31
Travel	6,491.43	6,491.43	141.65	6,349.78
Supplies and Materials	21,241.38	21,241.38	13,347.00	7,894.38
Other Objects	96,471.74	96,471.74	74,925.18	21,546.56
Total Support Services	<u>2,104,113.76</u>	<u>2,104,113.76</u>	<u>1,812,316.88</u>	<u>291,796.88</u>
Total Expenditures	<u>5,081,706.69</u>	<u>5,081,706.69</u>	<u>4,534,745.71</u>	<u>546,960.98</u>
Equipment				
Non-Instructional Equipment	37,356.30	37,356.30	6,300.00	31,056.30
Instructional Equipment	3,200.00	3,200.00	965.13	2,234.87
Total Equipment	<u>40,556.30</u>	<u>40,556.30</u>	<u>7,265.13</u>	<u>33,291.17</u>
Facilities Acquisition and Construction Services				
Buildings	5,451,395.45	5,451,395.45	5,451,395.45	-
Total Outflows	<u>\$ 10,573,658.44</u>	<u>\$ 10,573,658.44</u>	<u>\$ 9,993,406.29</u>	<u>\$ 580,252.15</u>
Excess/(Deficiency) of Revenues Over/(Under)				
Expenditures	<u>-</u>	<u>-</u>	<u>(581,761.98)</u>	<u>581,761.98</u>
Other Financing Sources/(Uses)				
Transfer from General Fund	<u></u>	<u></u>	<u>\$ 574,315.00</u>	<u></u>
Fund Balance July 1			<u>28,333.32</u>	
Fund Balance June 30			<u>\$ 20,886.34</u>	
Recapitulation:				
Restricted:				
Scholarships			\$ 730.00	
Student Activities			20,156.34	
Total Fund Balance			<u>\$ 20,886.34</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

Year	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 proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.0388628063 %	\$ 5,629,034	\$ 3,109,060	181%	65.23%
2023	0.0361690429	5,458,406	2,992,457	182%	62.91%
2022	0.0361896617	4,287,208	2,822,959	152%	70.33%
2021	0.0345253577	5,630,183	2,640,712	213%	58.32%
2020	0.0343578834	6,190,759	2,637,982	235%	56.27%
2019	0.0360279900	7,093,730	2,485,670	285%	46.40%
2018	0.0345554134	8,043,948	2,477,067	324%	48.10%
2017	0.0335004260	9,921,865	2,476,951	400%	40.14%
2016	0.0319265844	7,166,878	2,335,002	307%	47.92%
2015	0.0334081536	6,254,920	2,262,692	276%	48.72%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS

<u>Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered- employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2024	\$ 519,412	\$ 519,412	None	\$ 3,109,060	16.71%
2023	456,109	456,109	None	2,992,457	15.24%
2022	423,823	423,823	None	2,822,959	15.01%
2021	377,961	377,961	None	2,640,712	14.31%
2020	334,203	334,203	None	2,637,982	12.67%
2019	358,362	358,362	None	2,485,670	14.42%
2018	329,290	329,290	None	2,477,067	13.29%
2017	297,613	297,613	None	2,476,951	12.02%
2016	260,534	260,534	None	2,335,062	11.16%
2015	257,942	257,942	None	2,262,692	11.40%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS PENSION AND ANNUITY FUND (TPAF)
LAST TEN (10) FISCAL YEARS

Year	District's Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (Asset)			District's Covered-Employee Payroll	District's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as Percentage of Total Pension Liability
		District	State	Total			
2024	0.1076828724 %	\$ None	\$ 54,953,444	\$ 54,953,444	\$ 14,975,852	None	34.68%
2023	0.1101948891	None	56,854,409	56,854,409	13,542,644	None	32.29%
2022	0.1039992179	None	49,997,820	49,997,820	13,309,146	None	35.52%
2021	0.0957842634	None	63,072,785	63,072,785	11,787,000	None	24.60%
2020	0.0933683124	None	57,301,075	57,301,075	14,436,609	None	26.95%
2019	0.0926271510	None	58,927,404	58,927,404	11,179,175	None	26.48%
2018	0.0895374944	None	60,369,407	60,369,407	10,127,412	None	25.41%
2017	0.0860139147	None	67,664,022	67,664,022	9,717,992	None	22.33%
2016	0.0807544290	None	51,040,248	51,040,248	9,409,200	None	28.71%
2015	0.0842835590	None	45,046,819	45,046,819	8,796,726	None	33.64%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR OPEB (GASB 75)**

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS
LAST SEVEN (7) FISCAL YEARS *

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 2,482,067	\$ 3,297,986	\$ 3,753,470	\$ 1,942,870	\$ 1,917,672	\$ 2,131,476	\$ 2,566,278
Interest cost	1,970,910	1,416,367	1,623,615	1,409,947	1,676,314	1,805,471	1,553,031
Changes of benefit terms	-	-	(66,618)	-	-	-	-
Changes of assumptions	112,796	(14,337,254)	61,748	12,507,963	580,216	(4,816,496)	(6,659,090)
Differences between expected and actual experience	(563,589)	1,837,798	(10,020,781)	14,855,485	(6,072,727)	(4,902,608)	-
Benefit payments	(1,536,356)	(1,402,953)	(1,278,954)	(1,192,087)	(1,194,554)	(1,122,316)	(1,131,184)
Contributions from members	50,507	45,007	41,508	36,132	35,410	38,789	41,653
Net changes in total OPEB liability	2,516,335	(9,143,049)	(5,886,012)	29,560,310	(3,057,669)	(6,865,684)	(3,629,312)
Total OPEB liability - beginning	53,445,573	62,588,622	68,474,634	38,914,324	41,971,993	48,837,677	52,466,989
Total OPEB liability - ending	<u>\$ 55,961,908</u>	<u>\$ 53,445,573</u>	<u>\$ 62,588,622</u>	<u>\$ 68,474,634</u>	<u>\$ 38,914,324</u>	<u>\$ 41,971,993</u>	<u>\$ 48,837,677</u>
Covered-employee payroll (PERS and TPAF)	<u>\$ 18,084,912</u>	<u>\$ 16,535,101</u>	<u>\$ 16,132,105</u>	<u>\$ 14,427,712</u>	<u>\$ 17,074,891</u>	<u>\$ 13,664,845</u>	<u>\$ 12,604,479</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

Note: Only last seven (7) years of information is presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) years schedule will be compiled.

Notes to Required Supplementary Information:

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine (9) years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreasing to 4.5% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to 4.5% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Changes of Assumptions - The discount rate utilized was 3.54% as of June 30, 2022 and 3.65% as of June 30, 2023.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title III Immigrant Part A	Title III Part A	Title II Part A	Title I Part A	Title IV Part A	IDEA Part B		ARP		Totals 2024
							Regular Program	Preschool	ESSER 2023-2024	Learning Acceleration 2023-2024	
REVENUES:											
State sources	\$ 1,415,704.38										\$ 1,415,704.38
Federal sources	646,250.16	\$ 12,909.86	\$ 71,517.67	\$ 62,734.44	\$ 696,494.76	\$ 15,947.57	\$ 579,620.36	\$ 21,782.00	\$ 5,723,958.90	\$ 44,673.70	7,875,889.42
Local sources	120,050.51										120,050.51
Total revenues	\$ 2,182,005.05	\$ 12,909.86	\$ 71,517.67	\$ 62,734.44	\$ 696,494.76	\$ 15,947.57	\$ 579,620.36	\$ 21,782.00	\$ 5,723,958.90	\$ 44,673.70	\$ 9,411,644.31
EXPENDITURES:											
Instruction:											
Salaries of teachers	\$ 853,238.70		\$ 46,427.20		\$ 368,416.50	\$ 2,465.00			\$ 54,070.15		\$ 1,324,617.55
Other salaries for instruction	159,092.02							\$ 21,782.00	7,500.00		188,374.02
Salaries of facilitators, math coaches, literary coaches and master teachers										\$ 44,673.70	44,673.70
Purchased professional and technical services	190,452.51				56,301.00	11,874.00					258,627.51
Purchased professional - educational services	110,406.00						\$ 500.00				110,906.00
Other purchased services (series 400-500)							549,700.43				549,700.43
General supplies	110,942.49	\$ 1,604.25	4,439.58		11,692.03	1,420.00			108,725.27		238,823.62
Other objects	6,706.00										6,706.00
Total instruction	1,430,837.72	1,604.25	50,866.78		436,409.53	15,759.00	550,200.43	21,782.00	170,295.42	44,673.70	2,722,428.83
Support services:											
Personnel services - salaries	2,000.00	9,820.00	11,920.00	\$ 43,680.00	20,700.00				10,120.00		98,240.00
Salaries of teachers	20,880.00										20,880.00
Salaries of principals/assistant principals/program directors	60,988.88										60,988.88
Salaries of other professional staff	152,839.76										152,839.76
Salaries of secretarial and clerical assistants	47,650.00								1,800.00		49,450.00
Other salaries	169,733.87								1,632.00		171,365.87
Salaries of facilitators, math coaches, literary coaches and master teachers	43,873.80										43,873.80
Personal services-employee benefits	413,656.11	751.23	4,530.89	3,330.08	200,137.23	188.57			64,787.14		687,381.25
Purchased professional and technical services	39,256.53		2,600.00	5,000.00	34,958.00		28,919.93		27,003.12		137,737.58
Professional education - head start	273,300.00										273,300.00
Other purchased professional and technical services	11,000.00										11,000.00
Other purchased services	5,769.74	734.38	1,600.00	4,094.57			500.00		4,147.22		16,845.91
Travel				141.65							141.65
Supplies and materials	2,568.86			6,488.14	4,290.00						13,347.00
Other objects	74,925.18										74,925.18
Total support services	1,318,442.73	11,305.61	20,650.89	62,734.44	260,085.23	188.57	29,419.93		109,489.48		1,812,316.88
Equipment											
Non-instructional equipment	6,300.00										6,300.00
Instructional equipment	965.13										965.13
Total equipment	7,265.13										7,265.13
Facilities acquisition and construction services:											
Buildings	7,221.45								5,444,174.00		5,451,395.45
Total facilities acquisition and construction services	7,221.45								5,444,174.00		5,451,395.45
Total expenditures	\$ 2,763,767.03	\$ 12,909.86	\$ 71,517.67	\$ 62,734.44	\$ 696,494.76	\$ 15,947.57	\$ 579,620.36	\$ 21,782.00	\$ 5,723,958.90	\$ 44,673.70	\$ 9,993,406.29
Excess/(deficiency of revenues over/ (under) expenditures	(581,761.98)										(581,761.98)
Other financing sources/(uses) Transfer from general fund	574,315.00										574,315.00
Fund balance, beginning of year	28,333.32										28,333.32
Fund balance, end of year	\$ 20,886.34										\$ 20,886.34

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit E-1a

	Total Brought Forward (Exh. E-1b)	ARP		CRRSA			High Impact Tutoring	Total Carried Forward (Exh. E-1)
		IDEA Basic 2023-2024	Beyond School Day	ESSER II 2023-2024	Mental Health 2023-2024	Learning Acceleration 2023-2024		
REVENUES:								
State sources	\$ 1,415,704.38							\$ 1,415,704.38
Federal sources	453,947.93	\$ 502.72	\$ 18,912.76	\$ 7,533.94	\$ 4,212.00	\$ 25,959.45	\$ 135,181.36	646,250.16
Local sources	120,050.51							120,050.51
Total revenues	\$ 1,989,702.82	\$ 502.72	\$ 18,912.76	\$ 7,533.94	\$ 4,212.00	\$ 25,959.45	\$ 135,181.36	\$ 2,182,005.05
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 712,248.90		\$ 11,680.00			\$ 13,094.80	\$ 116,215.00	\$ 853,238.70
Other salaries for instruction	159,092.02							159,092.02
Salaries of facilitators, math coaches, literary coaches and master teachers								
Purchased professional and technical services	190,452.51							190,452.51
Purchased professional - educational services	110,406.00							110,406.00
Other purchased services (series 400-500)								
General supplies	106,761.81	\$ 502.72	2,203.31	\$ 312.49			1,162.16	110,942.49
Other objects	6,706.00							6,706.00
Total instruction	1,285,667.24	502.72	13,883.31	312.49		13,094.80	117,377.16	1,430,837.72
Support services:								
Personnel services - salaries								
Salaries of teachers			3,880.00			6,000.00	2,000.00	2,000.00
Salaries of principals/assistant principals/program directors	60,988.88						11,000.00	20,880.00
Salaries of other professional staff	152,839.76							60,988.88
Salaries of secretarial and clerical assistants	47,650.00							152,839.76
Other salaries	169,733.87							47,650.00
Salaries of facilitators, math coaches, literary coaches and master teachers	43,873.80							169,733.87
Personal services-employee benefits	405,915.81		1,149.45			1,786.65	4,804.20	43,873.80
Purchased professional and technical services	30,656.53				\$ 4,212.00	4,388.00		413,656.11
Professional education - head start	273,300.00							39,256.53
Other purchased professional and technical services	11,000.00							273,300.00
Other purchased services	5,079.74					690.00		11,000.00
Travel								5,769.74
Supplies and materials	2,568.86							2,568.86
Other objects	74,925.18							74,925.18
Total support services	1,278,532.43		5,029.45		4,212.00	12,864.65	17,804.20	1,318,442.73
Equipment								
Non-instructional equipment	6,300.00							6,300.00
Instructional equipment	965.13							965.13
Total equipment	7,265.13							7,265.13
Facilities acquisition and construction services:								
Buildings				7,221.45				7,221.45
Total facilities acquisition and construction services				7,221.45				7,221.45
Total expenditures	\$ 2,571,464.80	\$ 502.72	\$ 18,912.76	\$ 7,533.94	\$ 4,212.00	\$ 25,959.45	\$ 135,181.36	\$ 2,763,767.03
Excess/(deficiency of revenues over/ (under) expenditures	(581,761.98)							(581,761.98)
Other financing sources/(uses)								
Transfer from general fund	574,315.00							574,315.00
Fund balance, beginning of year	28,333.32							28,333.32
Fund balance, end of year	\$ 20,886.34							\$ 20,886.34

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit E-1b

	Total Brought Forward (Exh. E-1c)	SDA Architect	21st Century CCLC		NJ Chapter 192 Auxiliary		Non-Public Technology	Non-Public Security	Total Carried Forward (Exh. E-1a)
			2022-2023	2023-2024	Non-Public Comp. Ed.	Non-Public ESL			
REVENUES:									
State sources	\$ 1,297,012.16	\$ 6,300.00			\$ 50,510.58	\$ 5,017.57	\$ 11,010.36	\$ 45,853.71	\$ 1,415,704.38
Federal sources			\$ 80,644.85	\$ 373,303.08					453,947.93
Local sources	120,050.51								120,050.51
Total revenues	\$ 1,417,062.67	\$ 6,300.00	\$ 80,644.85	\$ 373,303.08	\$ 50,510.58	\$ 5,017.57	\$ 11,010.36	\$ 45,853.71	\$ 1,989,702.82
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 530,051.38		\$ 31,211.25	\$ 150,986.27					\$ 712,248.90
Other salaries for instruction	159,092.02								159,092.02
Salaries of facilitators, math coaches, literary coaches and master teachers									
Purchased professional and technical services	78,060.29				\$ 50,510.58	\$ 5,017.57	\$ 11,010.36	\$ 45,853.71	190,452.51
Purchased professional - educational services	110,406.00								110,406.00
Other purchased services (series 400-500)									
General supplies	74,951.02		7,533.09	24,277.70					106,761.81
Other objects			4,151.00	2,555.00					6,706.00
Total instruction	952,560.71		42,895.34	177,818.97	50,510.58	5,017.57	11,010.36	45,853.71	1,285,667.24
Support services:									
Personnel services - salaries									
Salaries of teachers									
Salaries of principals/assistant principals/program directors	60,988.88								60,988.88
Salaries of other professional staff	152,839.76								152,839.76
Salaries of secretarial and clerical assistants	47,650.00								47,650.00
Other salaries	3,000.00		27,812.20	138,921.67					169,733.87
Salaries of facilitators, math coaches, literary coaches and master teachers	43,873.80								43,873.80
Personal services-employee benefits	358,064.66		4,387.50	43,463.65					405,915.81
Purchased professional and technical services	30,656.53								30,656.53
Professional education - head start	273,300.00								273,300.00
Other purchased professional and technical services			2,000.00	9,000.00					11,000.00
Other purchased services			3,072.42	2,007.32					5,079.74
Travel									
Supplies and materials			477.39	2,091.47					2,568.86
Other objects	74,925.18								74,925.18
Total support services	1,045,298.61		37,749.51	195,484.11					1,278,532.43
Equipment									
Non-instructional equipment		\$ 6,300.00							6,300.00
Instructional equipment	965.13								965.13
Total equipment	965.13	6,300.00							7,265.13
Facilities acquisition and construction services:									
Buildings									
Total facilities acquisition and construction services									
Total expenditures	\$ 1,998,824.65	\$ 6,300.00	\$ 80,644.85	\$ 373,303.08	\$ 50,510.58	\$ 5,017.57	\$ 11,010.36	\$ 45,853.71	\$ 2,571,464.80
Excess/(deficiency of revenues over/ (under) expenditures	(581,761.98)								(581,761.98)
Other financing sources/(uses)									
Transfer from general fund	574,315.00								574,315.00
Fund balance, beginning of year	28,333.32								28,333.32
Fund balance, end of year	\$ 20,886.34								\$ 20,886.34

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Exhibit E-1c

	Total Brought Forward E-1d	New Jersey Chapter 226 Non-Public Nursing	New Jersey Chapter 193 Handicapped Non-Public Supplemental Instruction	New Jersey Chapter 193 Handicapped Non-Public Exam and Class	New Jersey Chapter 193 Handicapped Non-Public Corrective Speech	Initial Evaluations	Non-Public Textbooks	Preschool 2023-2024	Total Carried Forward E-1b
REVENUES:									
State sources	30,656.53	\$ 30,828.50	\$ 9,333.80	\$ 4,180.00	\$ 15,438.00	\$ 4,615.11	\$ 13,664.88	\$ 1,188,295.34	\$ 1,297,012.16
Federal sources									
Local sources	\$ 120,050.51								120,050.51
Total revenues	\$ 150,707.04	\$ 30,828.50	\$ 9,333.80	\$ 4,180.00	\$ 15,438.00	\$ 4,615.11	\$ 13,664.88	\$ 1,188,295.34	\$ 1,417,062.67
EXPENDITURES:									
Instruction:									
Salaries of teachers								\$ 530,051.38	\$ 530,051.38
Other salaries for instruction								159,092.02	159,092.02
Salaries of facilitators, math coaches, literary coaches and master teachers									
Purchased professional and technical services		\$ 30,828.50	\$ 9,333.80	\$ 4,180.00	\$ 15,438.00	\$ 4,615.11	\$ 13,664.88		78,060.29
Purchased professional - educational services								110,406.00	110,406.00
Other purchased services (series 400-500)									
General supplies	\$ 54,912.09							20,038.93	74,951.02
Other objects									
Total instruction	\$ 54,912.09	30,828.50	9,333.80	4,180.00	15,438.00	4,615.11	13,664.88	819,588.33	952,560.71
Support services:									
Personnel services - salaries									
Salaries of teachers									
Salaries of principals/assistant principals/program directors								60,988.88	60,988.88
Salaries of other professional staff								152,839.76	152,839.76
Salaries of secretarial and clerical assistants								47,650.00	47,650.00
Other salaries								3,000.00	3,000.00
Salaries of facilitators, math coaches, literary coaches and master teachers									
Personal services-employee benefits								43,873.80	43,873.80
Purchased professional and technical services	30,856.53							358,064.66	358,064.66
Professional education - head start									30,656.53
Other purchased professional and technical services								273,300.00	273,300.00
Other purchased services									
Travel									
Supplies and materials									
Other objects	72,585.40							2,339.78	74,925.18
Total support services	103,241.93							942,056.88	1,045,298.81
Equipment									
Non-instructional equipment									
Instructional equipment								965.13	965.13
Total equipment								965.13	965.13
Facilities acquisition and construction services:									
Buildings									
Total facilities acquisition and construction services									
Total expenditures	\$ 158,154.02	\$ 30,828.50	\$ 9,333.80	\$ 4,180.00	\$ 15,438.00	\$ 4,615.11	\$ 13,664.88	\$ 1,762,610.34	\$ 1,998,824.65
Excess/(deficiency of revenues over/ (under) expenditures	(7,446.98)							(574,315.00)	(581,761.98)
Other financing sources/(uses)									
Transfer from general fund								574,315.00	574,315.00
Fund balance, beginning of year	28,333.32								28,333.32
Fund balance, end of year	\$ 20,886.34								\$ 20,886.34

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Exhibit E-1d

	PAE Book Fair 2023-2024	Freehold Education Foundation 2022-2023	Freehold Education Foundation 2023-2024	Local 21st Century CLC Program Income Program Income Support '23 Support '24		Recreation Improvement Grant	Student Activities	Scholarships	Total Carried Forward (Exh. E-1c)
REVENUES:									
State sources						\$ 30,656.53			30,656.53
Federal sources									
Local sources	\$ 8,502.15	\$ 8,136.38	\$ 25,983.21	\$ 8,345.35	\$ 3,945.00		\$ 65,093.42	\$ 45.00	\$ 120,050.51
Total revenues	\$ 8,502.15	\$ 8,136.38	\$ 25,983.21	\$ 8,345.35	\$ 3,945.00	\$ 30,656.53	\$ 65,093.42	\$ 45.00	\$ 150,707.04
EXPENDITURES:									
Instruction:									
Salaries of teachers									
Other salaries for instruction									
Salaries of facilitators, math coaches, literary coaches and master teachers									
Purchased professional and technical services									
Purchased professional - educational services									
Other purchased services (series 400-500)									
General supplies	\$ 8,502.15	\$ 8,136.38	\$ 25,983.21	\$ 8,345.35	\$ 3,945.00				\$ 54,912.09
Other objects									
Total instruction	8,502.15	8,136.38	25,983.21	8,345.35	3,945.00				54,912.09
Support services:									
Personnel services - salaries									
Salaries of teachers									
Salaries of principals/assistant principals/program directors									
Salaries of other professional staff									
Salaries of secretarial and clerical assistants									
Other salaries									
Salaries of facilitators, math coaches, literary coaches and master teachers									
Personal services-employee benefits									
Purchased professional and technical services						\$ 30,656.53			30,656.53
Professional education - head start									
Other purchased professional and technical services									
Other purchased services									
Travel									
Supplies and materials							\$ 72,385.40	\$ 200.00	72,585.40
Other objects									
Total support services						30,656.53	72,385.40	200.00	103,241.93
Equipment									
Non-instructional equipment									
Instructional equipment									
Total equipment									
Facilities acquisition and construction services:									
Buildings									
Total facilities acquisition and construction services									
Total expenditures	\$ 8,502.15	\$ 8,136.38	\$ 25,983.21	\$ 8,345.35	\$ 3,945.00	\$ 30,656.53	\$ 72,385.40	\$ 200.00	\$ 158,154.02
Excess/(deficiency of revenues over/ (under) expenditures							(7,291.98)	(155.00)	(7,446.98)
Other financing sources/(uses)									
Transfer from general fund									
Fund balance, beginning of year							27,448.32	685.00	28,333.32
Fund balance, end of year							\$ 20,156.34	\$ 730.00	\$ 20,886.34

FREEHOLD BORO BOARD OF EDUCATION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
State sources	\$ 1,087,828.00	\$ 1,201,644.00	\$ 1,188,295.34	\$ 13,348.66
Total revenues	<u>\$ 1,087,828.00</u>	<u>\$ 1,201,644.00</u>	<u>\$ 1,188,295.34</u>	<u>\$ 13,348.66</u>
EXPENDITURES:				
Instruction:				
Salaries of teachers	\$ 432,547.00	\$ 530,052.00	\$ 530,051.38	\$ 0.62
Other salaries for instructors	130,720.00	159,300.00	159,092.02	207.98
Purchased professional - educational services	91,882.00	110,406.00	110,406.00	-
General supplies	9,000.00	20,373.00	20,038.93	334.07
Total instruction	<u>\$ 664,149.00</u>	<u>\$ 820,131.00</u>	<u>\$ 819,588.33</u>	<u>\$ 542.67</u>
Support services:				
Salaries of principals/assistant principals/program directors	\$ 60,567.00	\$ 62,189.00	\$ 60,988.88	\$ 1,200.12
Salaries of other professional staff	153,422.00	155,304.00	152,839.76	2,464.24
Salaries of secretarial and clerical assistants	45,621.00	47,650.00	47,650.00	-
Other salaries	3,000.00	3,000.00	3,000.00	-
Salaries of facilitators, math coaches, literary coaches	43,283.00	43,874.00	43,873.80	0.20
Personal services-employee benefits	412,601.00	364,311.00	358,064.66	6,246.34
Professional education - head start	273,300.00	273,300.00	273,300.00	-
Other objects	3,000.00	3,000.00	2,339.78	660.22
Total support services	<u>\$ 994,794.00</u>	<u>\$ 952,628.00</u>	<u>\$ 942,056.88</u>	<u>\$ 10,571.12</u>
Facilities acquisition and construction services:				
Instructional equipment	\$ 3,200.00	\$ 3,200.00	\$ 965.13	\$ 2,234.87
Total Facilities acquisition and construction services	<u>\$ 3,200.00</u>	<u>\$ 3,200.00</u>	<u>\$ 965.13</u>	<u>2,234.87</u>
Total expenditures	<u>\$ 1,662,143.00</u>	<u>\$ 1,775,959.00</u>	<u>\$ 1,762,610.34</u>	<u>\$ 13,348.66</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>\$ (574,315.00)</u>	<u>\$ (574,315.00)</u>	<u>\$ (574,315.00)</u>	<u>-</u>
Other Financing Sources/(Uses)				
Transfer from general fund	<u>\$ 574,315.00</u>	<u>\$ 574,315.00</u>	<u>\$ 574,315.00</u>	<u>-</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2023 - 2024 PreK Aid Allocation	\$ 1,153,440.00
Add: Actual PreK Aid Carryover June 30, 2023	\$ 70,709.80
Add: Transfer from general fund	574,315.00
Total Funds Available for 2023 - 2024 Budget	\$ 1,798,464.80
Less: 2023 - 2024 Budgeted PreK (Including prior year budgeted carryover)	1,762,610.34
Available & Unbudgeted Funds as of June 30, 2024	\$ 35,854.46

CAPITAL PROJECTS FUND

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2024

<u>Number</u>	<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date Prior Years</u>	<u>Cancellation of Grant Receivable</u>	<u>Transfers</u>	<u>Unexpended Balance June 30, 2024</u>
1640-070-17-2000	Additions/Rehab. - PAE & FIS	01/11/17	\$ 28,920,395.00	\$ 22,161,929.07	\$ 1,148,172.96	\$ (360,933.24)	\$ 5,249,359.73
1640-070-23-R501	Replacement of Boilers - PAE	06/30/24	1,300,000.00				1,300,000.00
			<u>\$ 30,220,395.00</u>	<u>\$ 22,161,929.07</u>	<u>\$ 1,148,172.96</u>	<u>\$ (360,933.24)</u>	<u>\$ 6,549,359.73</u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenues	
Transfer from capital reserve	\$ <u>1,300,000.00</u>
Total revenues	<u>1,300,000.00</u>
Expenditures	
Transfer to debt service fund	\$ <u>201,632.00</u>
Total expenditures	<u>201,632.00</u>
Excess(deficiency) of revenues over/(under) expenditures	1,098,368.00
Other financing sources/(uses):	
Interest earned	\$ 284,165.35
Transfer to general fund	<u>(284,165.35)</u>
Net change in fund balance	1,098,368.00
Fund balance, beginning	<u>5,450,991.73</u>
Fund balance, ending	\$ <u><u>6,549,359.73</u></u>

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS & REHABILITATION TO PARK AVENUE ELEMENTARY AND FREEHOLD INTERMEDIATE SCHOOLS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State sources - SDA grant	\$ 13,646,807.04		\$ 13,646,807.04	\$ 13,646,807.04
Transfer from capital reserve	685.00		685.00	685.00
Bond sale proceeds	13,965,428.76		13,965,428.76	13,965,428.76
Total revenues	\$ 27,612,920.80		\$ 27,612,920.80	\$ 27,612,920.80
Expenditures and Other Financing Uses				
Salaries	\$ 42,302.00		\$ 42,302.00	\$ 42,302.00
Purchased professional and technical services	2,674,355.57		2,674,355.57	2,674,355.57
Construction services	18,855,203.46		18,855,203.46	18,855,203.46
Equipment	418,306.34		418,306.34	418,306.34
Other purchased services	67,761.89		67,761.89	67,761.89
Supplies	102,469.81		102,469.81	102,469.81
Other objects	1,530.00		1,530.00	1,530.00
Transfer to debt service fund		\$ 201,632.00	201,632.00	201,632.00
Total expenditures	\$ 22,161,929.07	\$ 201,632.00	\$ 22,363,561.07	\$ 22,363,561.07
Excess (deficiency) or revenues over/(under) expenditures	\$ 5,450,991.73	\$ (201,632.00)	\$ 5,249,359.73	\$ 5,249,359.73

Additional project information:

DOE Project Number	1640-070-17-2000
SDA Project Number	1640-070-17-G3LT
Grant Number	G5-6403
Grant Date	1/11/2017
Bond Authorization Date	6/19/2017
Bonds Authorized	\$ 14,124,730.00
Bonds Issued	\$ 14,124,730.00
Original Authorized Cost	\$ 27,835,015.00
Additional Authorized Cost (Cancelled)	\$ 1,085,380.00
Revised Authorized Cost	\$ 27,612,920.80

Percentage Increase over Original
Authorized Cost

Percentage completion 100.00%
Original target completion date 12/31/2020

Allocation:	Prior Periods	Current Year	Total
Grants	\$ 13,646,807.04		\$ 13,646,807.04
Local	13,966,113.76		13,966,113.76
	\$ 27,612,920.80	-	\$ 27,612,920.80

Expenditures allocation:

Grants	49.2531 %
Local	50.7469
	100.0000

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPLACEMENT OF BOILERS AT PARK AVENUE ELEMENTARY
FROM INCEPTION AND FOR THE 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		\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00
Total revenues		\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00
Expenditures and Other Financing Uses				
Salaries				
Legal				
Purchased professional and technical services				
Construction services				
Equipment				
Other purchased services				
Supplies				
Other objects				
Total expenditures				
Excess (deficiency) or revenues over/(under) expenditures		\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,300,000.00

Additional project information:	
DOE Project Number	1640-070-23-R501
SDA Project Number	1640-070-23-G5GG
Grant Number	G5-6566
Grant Date	6/30/2024
Project Authorization Date	6/30/2024
Original Authorized Cost	\$ 1,264,089.00
Additional Authorized Cost (Cancelled)	NA
Revised Authorized Cost	NA
Percentage Increase over Original Authorized Cost	NA
Percentage completion	0%
Original target completion date	12/31/2024
Revised target completion date	NA

Expenditure Allocation:	<u>Percent</u>	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>
Grants	69.4233%			-
Local	30.5767%			-
	100.0000%	-	-	-

NONCURRENT DEBT

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
NONCURRENT DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2024

<u>Issue</u>	<u>Original</u>		<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2023</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
	<u>Date of Original Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>				
2017 School Bonds	8/13/2017	\$ 15,605,000.00	8/15/2024	\$ 855,000.00	2.50%			
			8/15/2025	875,000.00	3.00%			
			8/15/2026	900,000.00	3.00%			
			8/15/2027	900,000.00	3.00%			
			8/15/2028	900,000.00	3.00%			
			8/15/2029	900,000.00	3.00%			
			8/15/2030	900,000.00	3.00%			
			8/15/2031	900,000.00	3.00%			
			8/15/2032	900,000.00	3.00%			
			8/15/2033	900,000.00	3.00%			
			8/15/2034	900,000.00	3.00%			
			8/15/2035	900,000.00	3.00%			
			8/15/2036	900,000.00	3.00%			
			8/15/2037	900,000.00	3.00%			
						\$ 13,355,000.00	\$ 825,000.00	\$ 12,530,000.00
Total						\$ 13,355,000.00	\$ 825,000.00	\$ 12,530,000.00

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 315,169.00		\$ 315,169.00	\$ 315,169.00	
State Sources:					
Debt Service Aid	\$ 686,170.00		\$ 686,170.00	\$ 686,170.00	
Total Revenues	\$ 1,001,339.00		\$ 1,001,339.00	\$ 1,001,339.00	
EXPENDITURES:					
Regular Debt Service:					
Interest	\$ 381,937.50		\$ 381,937.50	\$ 381,937.50	
Redemption of Principal	825,000.00		825,000.00	825,000.00	
Total Regular Debt Service	\$ 1,206,937.50		\$ 1,206,937.50	\$ 1,206,937.50	
Total Expenditures	\$ 1,206,937.50		\$ 1,206,937.50	\$ 1,206,937.50	
Other Financing Sources:					
Operating Transfer In:					
Capital Projects Fund	\$ 201,632.00		\$ 201,632.00	\$ 201,632.00	
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(3,966.50)		(3,966.50)	(3,966.50)	
Fund Balance, July 1	\$ 3,966.73		\$ 3,966.73	\$ 3,966.73	
Fund Balance, June 30	\$ 0.23		\$ 0.23	\$ 0.23	

STATISTICAL TABLES (SECTION)
(UNAUDITED)

FREEHOLD BOROUGH SCHOOL DISTRICT
COUNTY OF MONMOUTH
INTRODUCTION TO STATISTICAL TABLES (SECTION)
(UNAUDITED)

<u>Contents</u>	<u>Exhibit</u>
Financial Trends	J-1 to J-5
<p>These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	
Revenue Capacity	J-6 to J-9
<p>These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	
Debt Capacity	J-10 to J-13
<p>These schedules contain information to help the reader assess the district's outstanding debt.</p>	
Demographic and Economic Information	J-14 & J-15
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	
Operating Information	J-16 to J-20
<p>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.</p>	

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

FINANCIAL TRENDS

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
NET POSITION BY COMPONENT
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets	\$ 5,498,976	\$ 6,392,287	\$ 8,862,920	\$ 8,322,052	\$ 24,025,271	\$ 25,298,663	\$ 26,598,982	\$ 27,148,003	\$ 28,862,506	\$ 32,725,480
Restricted	1,250,488	1,332,286	1,808,155	13,115,479	7,777,904	5,405,478	4,394,098	6,002,089	11,022,224	12,924,058
Unrestricted	(5,220,455)	(5,474,726)	(6,011,289)	(7,429,966)	(6,607,840)	(6,059,534)	(4,141,929)	(3,186,286)	(5,910,946)	(4,878,007)
Total governmental activities net assets	<u>\$ 1,529,009</u>	<u>\$ 2,249,847</u>	<u>\$ 4,659,786</u>	<u>\$ 14,007,565</u>	<u>\$ 25,195,335</u>	<u>\$ 24,644,607</u>	<u>\$ 26,851,150</u>	<u>\$ 29,963,806</u>	<u>\$ 33,973,785</u>	<u>\$ 40,771,532</u>
Business-type activities										
Invested in capital assets	\$ 56,563	\$ 66,413	\$ 91,771	\$ 83,250	\$ 112,965	\$ 97,155	\$ 82,360	\$ 68,255	\$ 57,470	\$ 48,080
Unrestricted	284,237	362,224	426,235	526,882	512,263	321,346	106,164	247,191	428,218	408,920
Total business-type activities net assets	<u>\$ 340,800</u>	<u>\$ 428,637</u>	<u>\$ 518,006</u>	<u>\$ 610,132</u>	<u>\$ 625,228</u>	<u>\$ 418,501</u>	<u>\$ 188,524</u>	<u>\$ 315,446</u>	<u>\$ 485,689</u>	<u>\$ 457,000</u>
District-wide										
Invested in capital assets	\$ 5,555,539	\$ 6,458,700	\$ 8,954,691	\$ 8,405,302	\$ 24,138,236	\$ 25,395,817	\$ 26,681,342	\$ 27,216,258	\$ 28,919,977	\$ 32,773,561
Restricted	1,250,488	1,332,286	1,808,155	13,115,479	7,777,904	5,405,478	4,394,098	6,002,089	11,022,224	12,924,058
Unrestricted	(4,936,218)	(5,112,502)	(5,585,054)	(6,903,084)	(6,095,577)	(5,738,188)	(4,035,765)	(2,939,095)	(5,482,728)	(4,469,087)
Total district net position	<u>\$ 1,869,809</u>	<u>\$ 2,678,484</u>	<u>\$ 5,177,792</u>	<u>\$ 14,617,697</u>	<u>\$ 25,820,564</u>	<u>\$ 25,063,107</u>	<u>\$ 27,039,674</u>	<u>\$ 30,279,252</u>	<u>\$ 34,459,473</u>	<u>\$ 41,228,532</u>

Note: In 2015 the effective date of GASB No. 68 related to pension liabilities (TPAF & PERS) an adjustment was made for the provision of the net pension liability for PERS. Amounts from years prior to 2015 are not available.

In 2018, the effective date of GASB No. 75 related to post-employment benefits (health benefits) adjustment was made for the provision of the liability - amounts for years prior to 2017 are not available.

In 2021 GASB No. 84 related to fiduciary accounting was implemented.

In 2022 GASB No. 87 related to lease accounting was implemented.

In 2023 GASB No. 96 related to subscription-based information technology arrangements was implemented.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,228,333	\$ 11,489,638	\$ 12,721,154	\$ 9,992,268	\$ 9,869,747	\$ 10,278,640	\$ 11,083,683	\$ 11,262,658	\$ 11,446,450	\$ 12,159,552
Special education	3,237,427	3,804,410	4,431,357	8,663,747	9,018,138	8,948,180	10,586,374	9,868,318	9,065,952	10,242,174
Other special education	942,388	1,055,485	3,857	180,309	1,856,713	1,917,595	1,586,759	2,168,798	2,633,991	3,217,743
Other instruction	162,765	176,171	1,436,137	1,576,131	187,268	190,040	142,931	192,105	217,722	234,508
Support Services:										
Tuition	1,033,465	808,801	925,634	1,123,214	978,195	798,341	1,086,565	1,316,289	1,433,963	1,288,061
Student & instruction related services	1,047,754	4,509,672	5,342,679	5,724,636	5,431,348	5,328,011	5,871,542	5,920,113	6,249,837	6,157,507
School Administrative service	3,299,923	855,257	1,379,214	1,436,866	1,423,057	1,359,671	1,476,842	1,400,171	1,401,487	1,449,550
General administration	3,023,706	2,290,224	2,122,881	2,266,900	2,403,517	2,170,217	2,316,684	2,298,864	2,333,988	2,604,594
Plant operations and maintenance	2,114,376	2,220,136	2,326,561	2,511,295	3,016,125	3,095,091	3,607,179	3,852,452	3,861,841	4,144,684
Pupil transportation	779,883	1,006,637	1,051,525	1,637,561	1,521,543	1,436,719	1,745,983	2,400,490	2,671,823	2,255,376
Interest on long-term debt	134,624	105,749	81,298	438,363	528,483	449,353	449,505	440,338	400,057	380,130
Total governmental activities expenses	26,004,644	28,322,180	31,822,297	35,551,288	36,234,134	35,971,859	39,954,047	41,120,596	41,717,112	44,133,880
Business-type activities:										
Food service	919,418	985,409	1,016,129	1,012,411	1,075,748	1,200,008	849,551	1,234,180	1,366,958	1,342,038
Total business-type activities expense	919,418	985,409	1,016,129	1,012,411	1,075,748	1,200,008	849,551	1,234,180	1,366,958	1,342,038
Total district expenses	\$ 26,924,062	\$ 29,307,589	\$ 32,838,426	\$ 36,563,699	\$ 37,309,882	\$ 37,171,867	\$ 40,803,598	\$ 42,354,776	\$ 43,084,070	\$ 45,475,918

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil transportation										
Central and other support services										
Special schools										
Operating grants and contributions	2,520,098	3,038,795	3,173,672	3,609,872	3,465,132	3,280,809	4,263,214	5,404,708	4,656,048	4,726,444
Capital grants and contributions										
Total governmental activities program revenues	<u>2,520,098</u>	<u>3,038,795</u>	<u>3,173,672</u>	<u>3,609,872</u>	<u>3,465,132</u>	<u>3,280,809</u>	<u>4,263,214</u>	<u>5,404,708</u>	<u>4,656,048</u>	<u>4,726,444</u>
Business-type activities:										
Charges for services:										
Food service	\$ 143,804	\$ 163,247	\$ 164,614	\$ 163,435	\$ 178,408	\$ 113,170	\$ 6,634	\$ 96,951	\$ 191,252	\$ 173,169
Operating grants and contributions	803,040	908,925	940,885	941,103	912,436	879,961	612,940	1,264,151	1,345,949	1,140,181
Total business type activities program revenues	<u>946,844</u>	<u>1,072,172</u>	<u>1,105,499</u>	<u>1,104,537</u>	<u>1,090,844</u>	<u>993,131</u>	<u>619,574</u>	<u>1,361,102</u>	<u>1,537,201</u>	<u>1,313,350</u>
Total district program revenues	<u>\$ 3,466,942</u>	<u>\$ 4,110,967</u>	<u>\$ 4,279,171</u>	<u>\$ 4,714,409</u>	<u>\$ 4,555,975</u>	<u>\$ 4,273,940</u>	<u>\$ 4,882,788</u>	<u>\$ 6,765,810</u>	<u>\$ 6,193,248</u>	<u>\$ 6,039,794</u>
Net (Expense)/Revenue										
Governmental activities	\$ (23,484,546)	\$ (25,283,385)	\$ (28,648,625)	\$ (31,941,416)	\$ (32,769,002)	\$ (32,691,050)	\$ (35,690,833)	\$ (35,715,888)	\$ (37,061,064)	\$ (39,407,436)
Business-type activities	27,426	86,763	89,370	92,126	15,096	(206,877)	(229,977)	126,922	170,243	(28,688)
Total district-wide net expense	<u>\$ (23,457,120)</u>	<u>\$ (25,196,622)</u>	<u>\$ (28,559,255)</u>	<u>\$ (31,849,290)</u>	<u>\$ (32,753,906)</u>	<u>\$ (32,897,927)</u>	<u>\$ (35,920,810)</u>	<u>\$ (35,588,966)</u>	<u>\$ (36,890,822)</u>	<u>\$ (39,436,124)</u>
General Revenues and Other Change in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,725,469	\$ 10,566,139	\$ 11,054,967	\$ 11,235,266	\$ 10,235,266	\$ 10,119,336	\$ 10,138,841	\$ 10,081,604	\$ 10,081,604	\$ 10,283,236
Taxes levied for debt service	545,380	556,881	524,928	353,320	590,351	655,836	636,331	662,789	420,635	315,169
Unrestricted grants and contributions	13,749,934	14,848,687	17,171,566	19,405,432	21,110,444	21,687,495	26,030,019	26,566,143	30,125,400	35,027,201
Restricted grants			2,015,788							
Tuition Received										
Investment earnings			991							
Miscellaneous income	147,490	124,974	299,771	190,932	265,476	168,790	138,982	501,213	479,183	633,028
Transfers	15,983		685							
Special and Extraordinary Items		(92,457)	(10,133)	10,104,251	11,755,229	(491,136)	589,596	1,025,754	(35,779)	(69,499)
Total governmental activities	<u>\$ 24,184,256</u>	<u>\$ 26,004,224</u>	<u>\$ 31,058,563</u>	<u>\$ 41,289,201</u>	<u>\$ 43,956,766</u>	<u>\$ 32,140,321</u>	<u>\$ 37,533,769</u>	<u>\$ 38,837,503</u>	<u>\$ 41,071,043</u>	<u>\$ 46,189,135</u>

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CHANGE IN NET POSITION
LAST TEN (10) FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Change in Net Position (Continued)										
Business-type activities:										
Investment earnings										
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special and Extraordinary Items		1,074	-							
Total business-type activities	-	1,074	-	-	-	-	-	-	-	-
Total district-wide	<u>\$ 24,184,256</u>	<u>\$ 26,005,298</u>	<u>\$ 31,058,563</u>	<u>\$ 41,289,201</u>	<u>\$ 43,956,766</u>	<u>\$ 32,140,321</u>	<u>\$ 37,533,769</u>	<u>\$ 38,837,503</u>	<u>\$ 41,071,043</u>	<u>\$ 46,189,135</u>
Change in Net Position										
Governmental activities	\$ 699,710	\$ 720,839	\$ 2,409,938	\$ 9,347,785	\$ 11,187,764	\$ (550,729)	\$ 1,842,936	\$ 3,121,615	\$ 4,009,978	\$ 6,781,700
Business-type activities	27,426	87,837	89,370	92,126	15,096	(206,877)	(229,977)	126,922	170,243	(28,688)
Total district	<u>\$ 727,136</u>	<u>\$ 808,676</u>	<u>\$ 2,499,308</u>	<u>\$ 9,439,911</u>	<u>\$ 11,202,860</u>	<u>\$ (757,606)</u>	<u>\$ 1,612,959</u>	<u>\$ 3,248,537</u>	<u>\$ 4,180,221</u>	<u>\$ 6,753,011</u>

Note: In 2015 the effective date of GASB No. 68 related to pension liabilities (TPAF & PERS) an adjustment was made for the provision of the net pension liability for PERS. Amounts from years prior to 2015 are not available.

In 2018, the effective date of GASB No. 75 related to post-employment benefits (health benefits) adjustment was made for the provision of the liability - amounts for years prior to 2017 are not available.

In 2021 GASB No. 84 related to fiduciary accounting was implemented.

In 2022 GASB No. 87 related to lease accounting was implemented.

In 2023 GASB No. 96 related to subscription-based information technology arrangements was implemented.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved										
Unreserved										
Restricted	\$ 2,361,604	\$ 2,482,537	\$ 3,410,733	\$ 2,588,884	\$ 2,173,570	\$ 1,006,640	\$ 4,220,409	\$ 4,777,342	\$ 5,686,026	\$ 7,432,146
Assigned	138,473	175,669	23,535	902,785	1,684,316	2,021,490	14,171	101,469	721,320	425,345
Unassigned										
Total general fund	<u>\$ 2,500,077</u>	<u>\$ 2,658,206</u>	<u>\$ 3,434,268</u>	<u>\$ 3,491,670</u>	<u>\$ 3,857,886</u>	<u>\$ 3,028,130</u>	<u>\$ 4,234,580</u>	<u>\$ 4,878,811</u>	<u>\$ 6,407,346</u>	<u>\$ 7,857,492</u>
All Other Governmental Funds										
Reserved										
Unreserved (deficit), reported in:										
Special revenue fund	\$ (15,020)	\$ (18,181)	\$ (18,181)	\$ (21,343)	\$ (21,343)	\$ (68,443)	\$ (89,955)	\$ 20,988	\$ 3,432	\$ (80,549)
Capital projects fund	179,801	89,571	39,235,747	21,787,764	7,612,167	7,214,090	7,175,059	5,450,992	5,450,992	6,549,360
Debt service fund	348	360	1,003	95,920	174,440	193,166	127,478	106,445	3,967	
Total all other governmental funds	<u>\$ 165,130</u>	<u>\$ 71,750</u>	<u>\$39,218,569</u>	<u>\$21,862,341</u>	<u>\$ 7,765,264</u>	<u>\$ 7,338,813</u>	<u>\$ 7,212,582</u>	<u>\$ 5,578,425</u>	<u>\$ 5,458,391</u>	<u>\$ 6,468,811</u>

Note: GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (See Notes to financial statements - Note 2G 15(a-c). Prior years have not been restated above and are not required to be.

In 2021 GASB No.84 related to fiduciary accounting was implemented.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 10,270,849	\$ 11,123,020	\$ 11,579,895	\$ 11,588,586	\$ 10,825,617	\$ 10,775,172	\$ 10,775,172	\$ 10,744,393	\$ 10,502,239	\$ 10,598,405
Bonds Proceeds			15,605,000							
Miscellaneous	208,051	158,037	348,172	225,052	265,477	168,790	182,949	498,018	476,781	632,063
State sources	12,100,225	12,409,447	38,557,060	14,200,513	18,161,020	20,937,558	22,936,151	27,633,934	30,920,504	34,979,930
Federal sources	2,129,142	3,017,166	3,310,413	3,443,579	3,425,108	2,173,364	3,265,359	3,865,399	4,927,961	6,935,134
Total revenue	24,708,267	26,707,670	69,400,540	29,457,730	32,677,222	34,054,884	37,159,631	42,741,744	46,827,485	53,145,532
Expenditures										
Instruction										
Regular Instruction	6,863,550	7,538,855	7,480,927	5,699,285	6,123,649	6,414,620	6,494,526	7,190,695	7,555,126	8,010,355
Special education instruction	2,060,345	2,397,490	2,476,351	4,744,879	5,145,846	5,584,316	6,203,126	6,999,794	6,517,584	7,390,823
Other special instruction	599,749	665,153	2,155	98,750	1,059,460	1,196,719	929,767	1,379,904	1,732,574	2,113,846
Other instruction	103,586	111,021	802,548	863,200	106,857	118,599	83,751	122,228	143,212	154,056
Support Services:										
Tuition	1,033,465	808,801	925,634	1,123,214	978,195	798,341	1,086,565	1,316,289	1,433,963	1,288,061
Student & inst. related services	2,810,741	2,954,040	3,157,622	3,275,749	3,392,976	3,325,067	3,440,452	3,988,361	4,340,247	4,316,377
General administration	522,965	1,443,270	770,738	786,929	1,371,472	1,354,373	1,357,470	1,465,268	1,537,938	1,713,742
School administrative services	740,856	538,972	1,186,318	1,246,102	812,011	848,534	865,361	895,119	926,264	958,874
Central services	416,507									
Admin. information technology	244,004									
Plant operations and maintenance	1,345,619	1,399,101	1,300,139	1,375,362	1,721,033	1,931,562	2,113,640	2,451,133	2,540,223	2,722,785
Pupil transportation	496,329	634,370	587,618	896,844	868,209	896,617	1,023,066	1,527,318	1,757,459	1,481,634
Employee benefits	5,874,573	6,585,190	7,709,836	8,708,269	9,382,292	9,604,192	10,570,878	12,061,381	12,951,181	14,383,690
Capital outlay	240,771	683,046	2,337,192	17,326,815	14,434,673	1,694,469	1,446,117	1,394,239	2,807,610	5,007,665
Debt service:										
Principal	650,000	690,000	675,000	305,000	300,000	745,000	770,000	790,000	810,000	825,000
Interest and other charges	121,231	93,612	65,581	48,331	711,408	474,375	451,050	425,875	402,375	381,938
Total expenditures	24,124,291	26,542,921	29,477,659	46,498,729	46,408,082	34,986,785	36,835,769	42,007,604	45,455,755	50,748,846
Excess (Deficiency) of revenues over (under) expenditures	583,976	164,749	39,922,881	(17,040,999)	(13,730,860)	(931,900)	323,862	734,140	1,371,729	2,396,686

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN (10) FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing sources (uses)										
Leases (nonbudgeted)										
Cancellation of Grant Receivable				\$ (257,830)				\$ (1,724,067)	\$ 36,772	\$ 63,880
Transfers out		\$ (100,000)								
Total other financing sources (uses)	-	(100,000)	-	(257,830)	-	-	-	(1,724,067)	36,772	63,880
Net change in fund balances	<u>\$ 583,976</u>	<u>\$ 64,749</u>	<u>\$ 39,922,881</u>	<u>\$ (17,298,829)</u>	<u>\$ (13,730,860)</u>	<u>\$ (931,900)</u>	<u>\$ 323,862</u>	<u>\$ (989,927)</u>	<u>\$ 1,408,501</u>	<u>\$ 2,460,566</u>
Debt service as a percentage of noncapital expenditures	3.23%	3.03%	2.73%	1.21%	3.16%	3.66%	3.45%	2.99%	2.84%	2.64%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN (10) FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	<u>Interest on Investments</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Tuition</u>	<u>Refund of Prior Year Expenditures</u>	<u>Use of Building</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,							
2015	-	65,541	59,654	8,148	11,328	2,800	147,471
2016	-	40,119	31,465	12,470	39,229	1,680	124,963
2017	45	40,055	223,835	25,655	8,606	1,575	299,771
2018	237	42,198	30,086	15,701	6,841	940	96,003
2019	3,187	33,649	29,124	-	19,004	2,205	87,169
2020	3,334	28,409	402	9,445	1,819	1,645	45,054
2021	26,157	107,152	6,027	7,694	-	-	147,030
2022	-	101,789	100,604	2,986	67,393	2,015	274,787
2023	13,616	-	28,133	52,306	71,165	7,305	172,526
2024	44,947	38,259	87,563	-	17,041	9,770	197,580

Source: District records

REVENUE CAPACITY

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN (10) FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2015	10,120,100	741,225,500	-	-	230,456,500	25,345,900	22,065,400	1,029,213,400	-	209,864,800	1,239,078,200	939,635,035	1.032
2016	10,627,200	739,568,800	-	-	229,822,500	25,353,000	22,454,100	1,027,825,600	-	205,667,600	1,233,493,200	989,718,062	1.098
2017	9,632,800	746,201,020	-	-	231,066,700	25,373,900	32,137,100	1,044,411,520	-	253,199,400	1,297,610,920	1,040,633,490	1.093
2018	9,600,100	754,455,000	-	-	233,786,500	25,411,800	32,216,500	1,055,469,900	-	253,652,800	1,309,122,700	1,058,122,769	1.057
2019	10,783,000	771,996,400	-	-	234,733,200	25,450,200	40,897,000	1,083,859,800	-	258,960,100	1,342,819,900	1,100,411,030	0.990
2020	8,676,000	790,539,300	-	-	239,787,500	25,327,700	41,548,500	1,105,879,000	-	264,134,000	1,370,013,000	1,120,266,531	0.967
2021	9,459,200	817,015,000	-	-	243,698,000	25,570,200	42,155,600	1,137,898,000	-	267,684,900	1,405,582,900	1,162,916,666	0.941
2022	9,457,000	950,045,300	-	-	257,186,100	26,783,500	43,943,200	1,287,415,100	-	284,117,000	1,571,532,100	1,236,428,324	0.813
2023	11,291,800	1,118,519,000	-	-	281,184,800	28,465,900	46,927,400	1,486,388,900	-	299,199,900	1,785,588,800	1,398,838,766	0.702
2024	12,172,400	1,206,225,900	-	-	287,169,500	26,904,100	48,939,000	1,581,410,900	-	309,636,000	1,891,046,900	1,459,886,839	0.674

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

^b Tax rates are per \$100 of Assessed Valuation

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN (10) FISCAL YEARS
UNAUDITED
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Borough of Freehold School District Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate ^c	Municipality of Freehold	Freehold Regional High School	County of Monmouth	Total Direct and Overlapping Tax Rate
2015	0.978	0.054	1.032	0.944	0.295	0.263	2.534
2016	1.043	0.055	1.098	0.976	0.320	0.261	2.655
2017	1.075	0.032	1.093	1.007	0.343	0.269	2.712
2018	1.004	0.053	1.057	1.026	0.342	0.276	2.701
2019	0.940	0.050	0.990	1.026	0.364	0.270	2.650
2020	0.910	0.057	0.967	1.054	0.374	0.267	2.662
2021	0.854	0.058	0.941	1.056	0.364	0.262	2.623
2022	0.763	0.050	0.813	0.951	0.363	0.230	2.357
2023	0.674	0.028	0.702	0.848	0.339	0.208	2.097
2024	0.654	0.020	0.674	0.802	0.333	0.198	2.007

Source: Municipal Tax Collector

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

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

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

c Tax rates are per \$100 of assessed valuation.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

	2024				2015		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Nestle USA *	\$ 24,170,600	1	1.53%	Nestle USA	\$ 23,674,400	1	2.30%
UTR Mattison LLC	19,958,400	2	1.26%	Freehold Racing Association	23,225,300	2	2.26%
East Coast Post & Coach	13,769,400	3	0.87%	AEW Brookside	14,269,000	3	1.39%
Freehold Racing Association **	13,290,500	4	0.84%	East Coast Post & Coach	6,420,700	4	0.62%
Freefern Associates	10,635,300	5	0.67%	Park Plaza Shopping Center	5,310,900	5	0.52%
Tower Spring Terrace LLC	8,403,900	6	0.53%	Freefern Associates	4,565,000	6	0.44%
Monmouth Apartments LLC	5,506,100	7	0.35%	E. Main Street LLC	4,295,700	7	0.42%
18-20 E. Main Street LLC	5,462,200	8	0.35%	Spring Terrace Apartments	3,000,000	8	0.29%
Bio Investment Group LLC	4,538,600	9	0.29%	Chiu's Property	2,650,000	9	0.26%
KPRFD2 LLC	4,069,600	10	0.26%	JCP&L	2,626,200	10	0.26%
Total	<u>\$ 109,804,600</u>		<u>6.94%</u>	Total	<u>\$ 90,037,200</u>		<u>8.75%</u>
Total Assessed Value	<u>\$ 1,581,410,900</u>				<u>\$ 1,029,213,400</u>		

* Closure of Plant effective 11/23/23

** Closure of Racetrack effective 12/28/24

Source: Municipal Tax Assessor

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN (10) FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Fiscal Tax Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	26,373,750	25,797,936	97.81%	494,461
2016	27,564,905	26,750,029	97.04%	711,118
2017	28,319,712	27,974,412	96.80%	615,965
2018	29,030,066	28,204,529	97.97%	545,753
2019	28,789,706	28,500,571	98.17%	567,867
2020	29,744,824	29,044,902	97.65%	687,021
2021	30,156,523	29,638,356	98.28%	492,884
2022	30,624,642	30,018,381	98.02%	443,955
2023	31,494,821	30,838,348	97.91%	443,000 (Anticipated)
2024	31,723,632	Not Available	96.80% (Anticipated)	N/A

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

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

DEBT CAPACITY

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN (10) FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)	Leases	Total District		
2015	2,835,000	-	40,189	-	-	2,875,189	1.26%	239
2016	2,145,000	-	22,773	-	-	2,167,773	1.02%	180
2017	1,470,000	-	8,577	-	-	1,478,577	0.77%	123
2018	16,770,000	-	-	-	-	16,770,000	0.53%	1,391
2019	16,470,000	-	-	-	-	16,470,000	5.97%	1,367
2020	15,725,000	-	-	-	-	15,725,000	5.86%	1,305
2021	14,955,000	-	-	-	-	14,955,000	5.59%	1,193
2022	14,165,000	-	-	-	-	14,165,000	3.89%	1,130
2023	13,355,000	-	103,368	-	-	13,458,368	3.69%	1,073
2024	12,530,000	-	105,847	-	-	12,635,847	3.47%	1,008

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

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN (10) FISCAL YEARS
UNAUDITED

General Bonded Debt Outstanding					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value ^a of Property</u>	<u>Per Capita ^b</u>
2015	2,835,000	-	2,835,000	0.28%	235
2016	2,145,000	-	2,145,000	0.21%	178
2017	1,470,000	-	1,470,000	0.14%	122
2018	16,770,000	-	16,770,000	1.59%	1,391
2019	16,470,000	-	16,470,000	1.52%	1,367
2020	15,725,000	-	15,725,000	1.42%	1,305
2021	14,955,000	-	14,955,000	1.31%	1,193
2022	14,615,000	-	14,615,000	1.14%	1,166
2023	13,355,000	-	13,355,000	0.90%	1,065
2024	12,530,000	-	12,530,000	0.79%	999

Notes:

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.

Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Freehold	\$ 20,798,301	100.000%	\$ 20,798,301
County of Monmouth	575,861,000	0.791%	4,554,577
Other debt			
Freehold Regional High School District	\$ 13,400,000	3.186%	426,857
Regional Sewerage Authority	2,135,000	20.047%	427,994
Subtotal, overlapping debt			\$ 26,207,729
Borough of Freehold District Direct Debt:			
Issued and Outstanding	\$ 12,530,000		
Authorized but not Issued	None		12,530,000
Total direct and overlapping debt			\$ 38,737,729

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

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

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
LEGAL DEBT MARGIN INFORMATION
LAST TEN (10) FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis	
2023	\$ 1,450,135,512
2022	1,389,546,789
2021	<u>1,226,447,510</u>
	\$ <u>4,066,129,811</u>
Average equalized valuation of taxable property	
	\$ 1,355,376,604
Debt limit (3 % of average equalization value)	
	40,661,298 ^a
Total Net Debt Applicable to Limit	
	<u>12,530,000</u>
Legal debt margin	
	<u>\$ 28,131,298</u>

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 29,515,627	\$ 29,125,398	\$ 29,702,514	\$ 30,683,381	\$ 31,738,615	\$ 32,518,871	\$ 34,907,139	\$ 42,582,089	\$ 37,696,340	\$ 40,661,298
Total net debt applicable to limit	<u>2,835,000</u>	<u>2,145,000</u>	<u>17,075,000</u>	<u>16,770,000</u>	<u>16,470,000</u>	<u>15,725,000</u>	<u>14,955,000</u>	<u>14,165,000</u>	<u>13,355,000</u>	<u>12,530,000</u>
Legal debt margin	<u>\$ 26,680,627</u>	<u>\$ 26,980,398</u>	<u>\$ 12,627,514</u>	<u>\$ 13,913,381</u>	<u>\$ 15,268,615</u>	<u>\$ 16,793,871</u>	<u>\$ 19,952,139</u>	<u>\$ 28,417,089</u>	<u>\$ 24,341,340</u>	<u>\$ 28,131,298</u>
Total net debt applicable to the limit as a percentage of debt limit	9.61%	7.36%	57.49%	54.65%	51.89%	48.36%	42.84%	33.27%	35.43%	30.82%

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 NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN (10) FISCAL YEARS
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>
2015	12,052	281,185,212	23,331	6.70%
2016	12,052	281,185,212	23,331	5.00%
2017	12,052	281,185,212	23,331	4.10%
2018	12,052	281,185,212	23,331	3.80%
2019	12,052	281,185,212	23,331	3.30%
2020	12,052	281,185,212	23,331	2.80%
2021	12,538	364,467,122	29,069	7.80%
2022	12,538	364,467,122	29,069	5.10%
2023	12,538	364,467,122	29,069	3.10%
2024	12,538	364,467,122	29,069	3.50%

Source:

^a Population information provided by the 2010 census for 2015 through 2020 and the 2020 census for 2021-2024.

^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 2010 census for 2015 through 2020 and 2020 census for 2021-2024 published by the New Jersey Department of Labor.

^d Unemployment data provided by the New Jersey Department of Labor and Workforce Development - previous year benchmark.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
County of Monmouth (Est)	400	1	a	900	1	a
Freehold Borough Board of Education	262	2	a	219	2	a
Nestle USA	223	3	a	200	3	a
Freehold Regional High School (Est)	155	4	a	197	4	a
Freehold Racing Association (Est)	90 (*)	5	a	100	5	a
Freehold Borough - Municipality	50	6	a	101	6	a
	<u>1,180</u>		<u>a</u>	<u>1,717</u>		<u>a</u>
(*) 90 in season, 50 out of season						

Source: Borough of Freehold

^a No authoritative source exists for Total Municipal Employment in the Borough.

OPERATING INFORMATION

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN (10) FISCAL YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	84.8	95.0	97.0	106.79	122.00	122.00	129.00	130.00	132.00	133.00
Special education	57.0	63.0	57.0	62.25	64.00	64.00	40.00	40.00	40.00	43.00
Other instruction	10.0	10.0	12.0	12.0	5.0	5.0	7.0	10.0	10.0	11.0
Support Services:										
Student & instruction related services	27.0	28.0	31.0	31.0	31.0	31.0	53.0	56.0	58.0	57.0
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	11.0	11.0	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0
Central services	8.8	8.8	9.0	9.0	9.0	9.0	27.0	25.0	26.0	26.0
Plant operations and maintenance	11.0	11.0	12.0	13.0	13.0	13.0	13.0	14.0	16.0	14.0
Pupil transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	<u>211.6</u>	<u>228.8</u>	<u>232.0</u>	<u>248.0</u>	<u>258.0</u>	<u>258.0</u>	<u>281.0</u>	<u>287.0</u>	<u>294.0</u>	<u>296.0</u>

Source: District Personnel Records

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
OPERATING STATISTICS
LAST TEN (10) FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2015	1,633	23,112,288	14,153	1.63%	75.00	1:24	1:18	1633.4	1,586	4.18%	97.09%
2016	1,677	25,076,263	14,953	5.65%	84.00	1:23	1:18	1692.0	1,630	3.59%	96.33%
2017	1,680	26,399,886	15,714	5.09%	88.00	1:25	1:21	1704.0	1,631	0.71%	96.33%
2018	1,684	28,955,243	17,194	9.42%	93.74	1:21	1:19	1678.0	1,611	-1.53%	96.01%
2019	1,666	30,962,001	18,585	8.09%	96.00	1:18	1:19	1683.0	1,611	0.30%	95.72%
2020	1,690	26,257,368	15,537	-16.40%	96.00	1:18	1:19	1663.0	1,614	-1.19%	97.05%
2021	1,657	31,187,579	18,822	21.14%	124.00	1:12	1:18	1633.0	1,657	-1.80%	101.47%
2022	1,617	39,343,087	24,331	29.27%	180.00	1:9	1:16	1627.0	1,527	-0.37%	93.85%
2023	1,642	41,366,191	25,193	3.54%	195.00	1:8	1:15	1595.0	1,526	-1.97%	95.67%
2024	1,633	44,461,658	27,227	8.08%	194.00	1:8	1:9	1584.0	1,495	-0.69%	94.38%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay, scholarships and student accounts.
- b Teaching staff includes only full-time equivalents of certificated classroom teaching staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per Pupil calculated using Total Enrollment ÷ Operating Expenditures. This is not intended to represent the statutory calculation of cost per pupil.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHOOL BUILDING INFORMATION
LAST TEN (10) FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>District Building</u>										
<u>Elementary School</u>										
Freehold Learning Center (1972, 1996 and 2001)										
Square Footage	49,239	49,329	49,329	68,819	69,179	69,179	69,179	69,179	69,179	69,179
Functional Capacity	394	394	394	551	553	553	553	553	553	553
Enrollment	596	593	593	638	605	617	607	615	595	570
<u>Elementary/Intermediate School</u>										
Park Avenue Complex (1957, 1962, 1969, 1996, 2001 and 2006)										
Square Footage	97,810	97,810	97,810	121,124	121,124	121,124	121,124	121,124	121,124	144,950
Functional Capacity	754	754	754	934	934	934	934	934	934	1,272
Enrollment	1046	1,084	1,084	1,043	1,043	1,055	1,025	1,032	1,025	982
<u>Other</u>										
Central Administration										
Square Feet	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164	1,164

Number of Schools at June 30, 2024

Elementary = 1

Elementary/Intermediate = 1

Source: District Facilities Office

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

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES
LAST TEN (10) FISCAL YEARS

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

	<u>* School Facilities</u> <u>Project # (s)</u>	<u>Freehold</u> <u>Learning Center</u>	<u>Park Avenue</u> <u>Complex</u>	<u>Total</u>
2015	N/A	\$ 71,374	\$ 144,937	\$ 216,311
2016	N/A	158,306	318,274	476,580
2017	N/A	102,124	252,316	354,440
2018	N/A	105,251	282,851	388,102
2019	N/A	109,309	219,935	329,244
2020	N/A	226,717	456,166	682,883
2021	N/A	167,785	337,591	505,376
2022	N/A	135,131	271,890	407,021
2023	N/A	141,691	285,089	426,780
2024	N/A	158,145	318,195	476,340
Total School Facilities		<u>\$ 1,375,833</u>	<u>\$ 2,887,244</u>	<u>\$ 4,263,077</u>

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

Source: District records

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
INSURANCE SCHEDULE
JUNE 30, 2024
[UNAUDITED]

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - SAIF:		
Property - Blanket Building and Contents	\$ 57,878,829	\$ 2,500
Employee Benefits Coverage	5,000,000	1,000
General Liability Coverage:		
Limit of Liability - Aggregate	10,000,000	N/A
Products - Completed Operations	10,000,000	N/A
Personal and Advertising Liability	10,000,000	N/A
Fire Damage	2,500,000	N/A
Premises Medical Payments	10,000	N/A
Sexual Molestation Sublimit	10,000,000 /occurrence; 10,000,000 /member aggregate; 28,500,000 /fund aggregate (shared limit)	
Communicable Disease	500,000 /member aggregate	
Inland Marine		
Misc. Articles Floater:		
Valuable Papers and Records	100,000	2,500
Electronic Data Processing	1,500,000	2,500
Kitchen/Gym Equip., New Library Desks/Chairs	1,500,000	2,500
Mobile Equipment - Haulmark Trailer	4,300	2,500
Automobile Coverage:		
Liability	10,000,000	
Physical Damage		1,000
Medical Payments	10,000	
Uninsured/Underinsured Motorist	15,000 /person 30,000 /accident 5,000 /property damage	500 property damage
Commercial Crime:		
Employee Dishonesty Blanket	500,000	1,000
Money and Securities	50,000	1,000
Funds Transfer Fraud	50,000	25,000
Boiler & Machinery Coverage:		
Property Damage	57,878,829	2,500.00
Cyber Coverage:		
Aggregate Limit Per Scheduled Insured	2,000,000	10,000
Cyber Extortion	750,000	10,000
Environmental Impairment Coverage:		
Each Claim	1,000,000	50,000
Fund Aggregate (Shared Limit)	10,000,000	

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
INSURANCE SCHEDULE
JUNE 30, 2024
[UNAUDITED]

(CONTINUED)

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Educators Legal Liability Coverage:		
Limit of Liability	\$ 5,000,000	\$ 5,000
IEP Hearing Limit	100,000	5,000
Excess Coverage:		
Limit of Liability (AL/GL)	10,000,000	
Limit of Liability (SLPL)	15,000,000	
Workers Compensation & Employers Liability Insurance Policy - SAIF:		
Section "A"	Statutory	
Section "B"		
Each accident	5,000,000	N/A
Each employee	5,000,000	N/A
Aggregate	5,000,000	N/A
Excess Liability - Fireman's Fund:		
Each Occurrence	25,000,000	
Aggregate (Shared Limit)	25,000,000	
Site Pollution Policy - Ironshore Specialty Insurance Company		
Policy Aggregate	1,000,000	
Third Party Claims	1,000,000	25,000
First Party Remediation Expenses	1,000,000	25,000
Business Interruption Aggregate	1,000,000 / 365 Days	5 Days
Disinfection Event Expenses	250,000	100,000
Mold Matter Aggregate	500,000	100,000
Excess Environmental Policy - Beazley		
Each Incident	500,000	25,000
Aggregate	500,000	25,000
Crisis & Reputation Management Expenses Sublimit	250,000	25,000
Microbial Matter		100,000
Student Accident Policy - Zurich American/Bollinger		
Student Accident for All Students including Interscholastic		
Athletics Except Football	1,000,000	
Volunteer Accident	50,000	
Non-Enrolled Campers Accident	50,000	
Public Official Bonds - Selective Insurance Company of America:		
Bruce Rodman - Treasurer	210,000	N/A
Patrick Pisano - School Business Administrator/Board Secretar	200,000	N/A
Patricia Saxton - Assistant Business Administrator	25,000	N/A

Source: District records.

SINGLE AUDIT SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-1
Sheet 1 of 2

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

Honorable President and Members
of the Board of Education
Borough of Freehold Board of Education
County of Monmouth, 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 audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Freehold Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Borough of Freehold Board of Education's basic financial statements, and have issued our report thereon dated January 13, 2025.

Internal Control Over Financial Reporting

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

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

**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 13, 2025

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Exhibit K-2
Sheet 1 of 3

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Borough of Freehold Board of Education, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Freehold Board of Education, State of New Jersey's major federal and state programs for the year ended June 30, 2024. The Borough of Freehold Board of Education, State of New Jersey'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 Borough of Freehold Board of Education, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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 Borough of Freehold Board of Education, State of New Jersey'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 Borough of Freehold Board of Education, State of New Jersey's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting 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 Borough of Freehold Board of Education, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

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

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

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

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB 15-08.

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 New Jersey OMB 15-08. Accordingly, this report is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
January 13, 2025

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Balance, June 30, 2023												
Federal Grantor / Pass - Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Grant Period		Award Amount	Deferred Revenue/ (Accounts Receivable)	Cash Received	Budgetary (Expenditures)	Adjustment	Balance, June 30, 2024		
			From	To						Deferred Revenue	(Accounts Receivable)	Due to Grantor
General Fund:												
U.S. Department of Health and Human Services:												
Medical Assistance Program	93.778	2405NJ5MAP	7/1/2023	6/30/2024	\$ 179,996.96		\$ 179,996.96	\$ (179,996.96)				
FFCRA/SEMI	93.778	2105NJ5MAP	7/1/2020	6/30/2021	14,170.62	\$ 14,170.62				\$ 14,170.62		
						\$ 14,170.62	\$ 179,996.96	\$ (179,996.96)		\$ 14,170.62		
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-Through NJ Department of Education:												
Food Distribution Program	10.565	241NJ304N1099	7/1/2023	6/30/2024	\$ 99,982.73		\$ 99,982.73	\$ (93,257.96)		\$ 6,724.77		
Food Distribution Program	10.565	231NJ304N1099	7/1/2022	6/30/2023	102,058.22	\$ 7,647.80		(7,647.80)				
School Breakfast Program	10.553	241NJ304N1099	7/1/2023	6/30/2024	170,027.58		134,536.57	(170,027.58)			\$ (35,491.01)	
School Breakfast Program	10.553	231NJ304N1099	7/1/2022	6/30/2023	181,829.68	(12,015.43)	12,015.43					
National School Lunch Program	10.555	241NJ304N1099	7/1/2023	6/30/2024	700,557.75		564,061.85	(700,557.75)			(136,495.90)	
National School Lunch Program	10.555	231NJ304N1099	7/1/2022	6/30/2023	697,393.28	(41,044.82)	41,044.82					
After School Snack Program	10.555	241NJ304N1099	7/1/2023	6/30/2024	42,655.86		35,702.55	(42,655.86)			(6,953.31)	
After School Snack Program	10.555	231NJ304N1099	7/1/2022	6/30/2023	40,212.72	(1,333.80)	1,333.80					
Summer Food Service Program	10.559	241NJ304N1099	7/1/2023	8/30/2024	37,962.32		37,962.32	(37,962.32)				
Summer Food Service Program	10.559	231NJ304N1099	7/1/2022	8/30/2023	35,348.65	(1,019.12)	1,019.12					
Supply Chain	10.559	241NJ304N1099	7/1/2023	6/30/2024	41,717.94		41,717.94	(41,717.94)				
Equipment Grant	10.579	231NJ354N8103	7/1/2023	6/30/2024	6,300.00		6,300.00	(6,300.00)				
Total Enterprise Fund						\$ (47,765.37)	\$ 975,677.13	\$ (1,100,127.21)		\$ 6,724.77	\$ (178,940.22)	
Special Revenue Fund												
U.S. Department of Education												
Passed-Through NJ Department of Education:												
Title I	84.010	S010A240030	7/1/2023	9/30/2024	\$ 748,153.00		\$ 374,598.00	\$ (696,494.76)			\$ (321,896.76)	
Title I	84.010	S010A230030	7/1/2022	6/30/2023	795,943.00	\$ (295,667.49)	293,977.00		\$ 1,690.49			
Title II, Part A	84.367A	S367A240029	7/1/2023	9/30/2024	74,301.00		15,460.00	(62,734.44)			(47,274.44)	
Title II, Part A	84.367A	S367A230029	7/1/2022	9/30/2023	54,066.00	(41,384.85)	41,385.00		(0.15)			
Title III, Part A	84.365A	S365A240030	7/1/2023	9/30/2024	64,694.00		55,817.00	(71,517.67)			(15,700.67)	
Title III, Part A	84.365A	S365A230030	7/1/2022	9/30/2023	64,276.00	(12,283.65)	12,284.00		(0.35)			
Title III Immigrant	84.365A	S365A240030	7/1/2023	9/30/2024	11,801.00		2,379.00	(12,909.86)			(10,530.86)	
Title III Immigrant	84.365A	S365A230030	7/1/2022	9/30/2023	7,916.00	(4,073.18)	4,073.00		0.18			

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor / Pass - Through Grantor / Program Title	Assistance Listing Number	Federal FAIN Number	Grant Period		Award Amount	Balance, June 30, 2023				Balance, June 30, 2024		
			From	To		Deferred Revenue/ (Accounts Receivable)	Cash Received	Budgetary (Expenditures)	Adjustment	Deferred Revenue	(Accounts Receivable)	Due to Grantor
Special Revenue Fund (Continued)												
U.S. Department of Education (Continued)												
Passed-Through NJ Department of Education: (Continued)												
Title IV	84.424A	S369A240031	7/1/2023	- 9/30/2024	\$ 16,475.00		\$ 15,151.00	\$ (15,947.57)			\$ (796.57)	
Title IV	84.424A	S369A230031	7/1/2022	- 9/30/2023	18,856.00	\$ 156.28	1,534.00		\$ (1,690.28)			
I.D.E.A. Part B	84.027A	H027A240100	7/1/2023	- 9/30/2024	513,072.00		467,420.00	(579,620.36)			(112,200.36)	
I.D.E.A. Part B	84.027A	H027A230100	7/1/2022	- 9/30/2023	480,772.00	(43,823.01)	43,823.00		0.01			
ARP I.D.E.A. Basic	84.027X	H027X220100	7/1/2021	- 9/30/2022	108,593.00	(13.28)	516.00	(502.72)				
I.D.E.A. Preschool	84.173	H173X240114	7/1/2023	- 9/30/2024	21,782.00		17,425.00	(21,782.00)			(4,357.00)	
I.D.E.A. Preschool	84.173	H173A230114	7/1/2022	- 9/30/2023	21,911.00	(2,081.00)	2,081.00					
21st Century CLC Program	84.287	S287C240030	9/1/2023	- 8/31/2024	535,000.00		295,763.00	(373,303.08)			(77,540.08)	
21st Century CLC Program	84.287	S287C230030	9/1/2022	- 8/31/2023	535,000.00	(62,505.91)	143,151.00	(80,644.85)	(0.24)			
21st Century CLC Program	84.287	S287C220030	9/1/2021	- 8/31/2022	610,000.00	(0.30)			0.30			
NJ High Impact Tutoring Competitive	84.425V	S425V240031	10/11/2023	- 8/31/2024	154,000.00		68,766.00	(135,181.36)			(66,415.36)	
CRRSA ESSER II	84.425D	S425D230027	3/13/2020	- 9/30/2023	3,027,993.00	(490,276.06)	497,810.00	(7,533.94)				
CRRSA Mental Health	84.425D	S425D230027	3/13/2020	- 9/30/2023	45,000.00	(0.71)	4,213.00	(4,212.00)	(0.29)			
CRRSA Learning Acceleration	84.425D	S425D230027	3/13/2020	- 9/30/2023	194,321.00		25,959.00	(25,959.45)	0.45			
ARP ESSER	84.425U	S425U240027	3/13/2020	- 9/30/2024	6,805,218.00	(2,401.53)	2,580,589.00	(5,723,958.90)	(11,649.00)		(3,157,420.43)	
ARP Learning Acceleration	84.425U	S425U240027	3/13/2020	- 9/30/2024	196,562.00	(36,071.30)	60,162.00	(44,673.70)	11,649.00		(8,934.00)	
ARP Homeless	84.425W	S425W240031	4/23/2021	- 9/30/2024	20,923.00							
ARP Beyond School Day	84.425U	S425U240027	3/13/2020	- 9/30/2024	40,000.00	(330.24)	19,243.00	(18,912.76)				
Total Special Revenue Fund						\$ (990,756.23)	\$ 5,043,579.00	\$ (7,875,889.42)	\$ 0.12	\$	\$ (3,823,066.53)	
Total Federal Financial Assistance						\$ (1,024,350.98)	\$ 6,199,253.09	\$ (9,156,013.59)	\$ 0.12	\$ 20,895.39	\$ (4,002,006.75)	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/ Program Title	Grant or State Project Number	Grant Period		Award Amount	June 30, 2023		Cash Received	Budgetary (Expenditures)	Repayment of Prior Year's Balance	Balance, June 30, 2024		MEMO	
		From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor				Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Categorical Special Education Aid	24-495-034-5120-089	7/1/2023	- 6/30/2024	\$ 1,438,457.00			\$ 1,438,457.00	\$ (1,438,457.00)			\$ (143,148.00)	\$ (1,438,457.00)	
Equalization Aid	24-495-034-5120-078	7/1/2023	- 6/30/2024	22,819,594.00			22,819,594.00	(22,819,594.00)			(2,270,885.00)	(22,819,594.00)	
Categorical Security Aid	24-495-034-5120-084	7/1/2023	- 6/30/2024	739,721.00			739,721.00	(739,721.00)			(73,613.00)	(739,721.00)	
Categorical Transportation Aid	24-495-034-5120-014	7/1/2023	- 6/30/2024	407,350.00			407,350.00	(407,350.00)			(40,537.00)	(407,350.00)	
Extraordinary Aid	24-100-034-5120-044	7/1/2023	- 6/30/2024	504,030.00				(504,030.00)		\$ (504,030.00)		(504,030.00)	
Extraordinary Aid	23-100-034-5120-044	7/1/2022	- 6/30/2023	435,339.00	\$ (435,339.00)		435,339.00						
Non-Public Transportation -													
Cost Reimbursement	24-495-034-5120-014	7/1/2023	- 6/30/2024	5,460.00				(5,460.00)		(5,460.00)		(5,460.00)	
Cost Reimbursement	23-495-034-5120-014	7/1/2022	- 6/30/2023	3,432.00	(3,432.00)		3,432.00						
Reimbursed T.P.A.F. Social Security													
Contributions (Non Budgeted)	24-495-034-5094-003	7/1/2023	- 6/30/2024	1,100,314.81			1,046,107.69	(1,100,314.81)		(54,207.12)		(1,100,314.81)	
Contributions (Non Budgeted)	23-495-034-5094-003	7/1/2022	- 6/30/2023	1,037,990.06	(104,565.41)		104,565.41						
On-Behalf Teacher's Pension													
and Annuity Fund	24-495-034-5094-002	7/1/2023	- 6/30/2024	4,912,276.00			4,912,276.00	(4,912,276.00)				(4,912,276.00)	
On-Behalf TPAF													
- Post Retirement Medical	24-495-034-5094-001	7/1/2023	- 6/30/2024	1,336,942.00			1,336,942.00	(1,336,942.00)				(1,336,942.00)	
On-Behalf TPAF													
- Non-Contributory Insurance	24-495-034-5094-004	7/1/2023	- 6/30/2024	2,224.00			2,224.00	(2,224.00)				(2,224.00)	
Total General Fund					\$ (543,336.41)		\$ 33,246,008.10	\$ (33,266,368.81)		\$ (563,697.12)		\$ (2,528,183.00)	\$ (33,266,368.81)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	24-100-034-5120-064	7/1/2023	- 6/30/2024	\$ 14,857.00			\$ 14,857.00	(13,664.88)		\$ 1,192.12		\$ (13,664.88)	
Textbook Aid	23-100-034-5120-064	7/1/2022	- 6/30/2023	17,028.00		\$ 102.51			\$ (102.51)	-			
Nursing Services	24-100-034-5120-070	7/1/2023	- 6/30/2024	30,840.00			30,840.00	(30,828.50)			11.50	(30,828.50)	
Nursing Services	23-100-034-5120-070	7/1/2022	- 6/30/2023	28,896.00		104.75			(104.75)	-			
Technology	24-100-034-5120-373	7/1/2023	- 6/30/2024	12,593.00			12,593.00	(11,010.36)			1,582.64	(11,010.36)	
Technology	23-100-034-5120-373	7/1/2022	- 6/30/2023	10,836.00		28.84			(28.84)	-			
Security	24-100-034-5120-509	7/1/2023	- 6/30/2024	52,685.00			52,685.00	(45,853.17)			6,831.83	(45,853.17)	
Security	23-100-034-5120-509	7/1/2022	- 6/30/2023	52,890.00		455.75			(455.75)	-			
Auxiliary Services:													
Compensatory Education	24-100-034-5120-067	7/1/2023	- 6/30/2024	53,046.00			53,046.00	(50,510.58)			2,535.42	(50,510.58)	
English as a Second Language	24-100-034-5120-067	7/1/2023	- 6/30/2024	11,903.00			11,903.00	(5,017.57)			6,885.43	(5,017.57)	
English as a Second Language	23-100-034-5120-067	7/1/2022	- 6/30/2023	19,043.00		10,363.40			(10,363.40)	-			

See Accompanying Notes to Schedules of Financial Assistance.

BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/ Program Title	Grant or State Project Number	Grant Period		Award Amount	June 30, 2023		Cash Received	Budgetary (Expenditures)	Repayment of Prior Year's Balance	Balance, June 30, 2024		MEMO	
		From	To		Deferred Revenue/ (Accounts Receivable)	Due to Grantor				Deferred Revenue (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Handicapped Services:													
Supplemental Instruction	24-100-034-5120-066	7/1/2023	6/30/2024	\$ 13,216.00		\$	13,216.00	\$ (9,333.80)		\$	3,882.20		\$ (9,333.80)
Supplemental Instruction	23-100-034-5120-066	7/1/2022	6/30/2023	16,520.00		\$	6,987.96		\$ (6,987.96)		-		
Initial Evaluations	24-100-034-5120-066	7/1/2023	6/30/2024	14,588.00			14,588.00	(4,615.11)			9,972.89		(4,615.11)
Examination and Classification	24-100-034-5120-066	7/1/2023	6/30/2024	4,180.00			4,180.00	(4,180.00)			-		(4,180.00)
Examination and Classification	23-100-034-5120-066	7/1/2022	6/30/2023	6,840.00			4,286.40		(4,286.40)		-		
Corrective Speech	24-100-034-5120-066	7/1/2023	6/30/2024	15,438.00			15,438.00	(15,438.00)			-		(15,438.00)
Other:													
SDA Architect	N/A	7/1/2023	6/30/2024	37,356.30			37,224.00	(6,300.00)	132.30	\$	31,056.30	-	(6,300.00)
SDA Architect	N/A	7/1/2022	6/30/2023	36,166.00	\$	132.30			(132.30)		-		
Preschool Expansion Grant	24-495-034-5120-086	7/1/2023	6/30/2024	1,153,440.00			1,210,801.14	(1,188,295.34)			22,505.80	\$	(114,784.00)
Total Special Revenue Fund					\$	132.30	\$ 22,329.61	\$ 1,471,371.14	\$ (1,385,047.31)	\$ (22,329.61)	\$ 53,562.10	\$ 32,894.03	\$ (114,784.00)
													\$ (1,385,047.31)
Debt Service Fund:													
Debt Service Aid Type II	24-495-034-5121-075	7/1/2023	6/30/2024	\$ 686,170.00			\$ 686,170.00	\$ (686,170.00)					\$ (686,170.00)
Total Debt Service Fund							\$ 686,170.00	\$ (686,170.00)					\$ (686,170.00)
Enterprise Fund:													
National School Breakfast Program	24-100-010-3350-021	7/1/2023	6/30/2024	\$ 11,514.95			\$ 9,053.10	(11,514.95)		\$	(2,461.85)		\$ (11,514.95)
National School Breakfast Program	23-100-010-3350-021	7/1/2022	6/30/2023	8,000.60	\$	(530.50)	530.50						
National School Lunch Program	24-100-010-3350-023	7/1/2023	6/30/2024	29,461.58			23,786.19	(29,461.58)			(5,675.39)		(29,461.58)
National School Lunch Program	23-100-010-3350-023	7/1/2022	6/30/2023	22,099.36		(1,283.56)	1,283.56						
Total Enterprise Fund					\$	(1,814.06)	\$ 34,653.35	\$ (40,976.53)		\$	(8,137.24)		\$ (40,976.53)
Total State Financial Assistance					\$	(545,018.17)	\$ 22,329.61	\$ 35,438,202.59	\$ (35,378,562.65)	\$ (22,329.61)	\$ (518,272.26)	\$ 32,894.03	\$ (2,642,967.00)
													\$ (35,378,562.65)
Less: On-Behalf TPAF Pension System Contributions													
Pension	24-495-034-5094-002	7/1/2023	6/30/2024				\$ 4,912,276.00	(4,912,276.00)					
Post Retirement Medical	24-495-034-5094-001	7/1/2023	6/30/2024				1,336,942.00	(1,336,942.00)					
Non-Contributory Insurance	24-495-034-5094-004	7/1/2023	6/30/2024				2,224.00	(2,224.00)					
Total State Financial Assistance Subject to Single Audit Major Program Determination							\$ 29,186,760.59	\$ (29,127,120.65)					

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Borough of Freehold School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules or expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 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.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 two (2) state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED JUNE 30, 2024

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$311,779.00 for the General Fund and a decrease of \$1,197,286.47 in the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 179,996.96	\$ 32,954,589.81	\$ 33,134,586.77
Special Revenue Fund	6,755,137.04	1,339,170.29	8,094,307.33
Debt Service Fund		686,170.00	686,170.00
Food Service Fund	<u>1,099,204.18</u>	<u>40,976.53</u>	<u>1,140,180.71</u>
	<u>\$ 8,034,338.18</u>	<u>\$ 35,020,906.63</u>	<u>\$ 43,055,244.81</u>

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.

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans outstanding payable to federal or state entities at June 30, 2024.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contribution and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements, and therefore have not been included on the Schedule of State Awards, as directed by the funding agency.

7. INDIRECT COSTS

The District did not use the 10% de minimus indirect cost rate.

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified, dated
January 13, 2025

Internal control over financial reporting:

1. Material weakness(es) identified? yes x no
2. Reportable condition(s) identified that are
not considered to be material weaknesses? yes x none reported
- Noncompliance material to basic financial statements noted? yes x no

Federal Awards

Internal control over major programs:

1. Material weakness(es) identified? yes x no
2. Reportable condition(s) identified that are
not considered to be material weaknesses? yes x none reported

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

Unmodified, dated
January 13, 2025

Any audit findings disclosed that are required to be reported
in accordance with section .510(a) of the Uniform Guidance? yes x no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010A</u>	Title I Cluster: <u>Title I, Part A</u>
<u>10.553, 10.555</u>	Child Nutrition Cluster: <u>School Lunch, Breakfast, Snacks</u>
<u>84.027A, 84.027X</u> <u>& 84.173</u>	IDEA Cluster: <u>IDEA Regular & IDEA Preschool</u>
<u>84.425U</u>	Cluster: American Rescue Plan <u>ESSER, Learning Acceleration, Beyond School Day</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Auditee qualified as low-risk auditee? yes X no

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

State Financial Assistance

Internal control over major programs:

1. Material weakness(es) identified? _____ yes x no
2. Reportable condition(s) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated
January 13, 2025

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

Identification of major programs:

<u>State Project Number</u>	<u>Name of State Program or Cluster</u>
<u>24-495-034-5120-089</u>	State Aid Cluster: <u>Categorical Special Education Aid</u>
<u>24-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-084</u>	<u>Categorical Security Aid</u>
<u>24-495-034-5120-086</u>	<u>Preschool Education</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

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

Section II - Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

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

No federal or state award findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

BOARD OF EDUCATION
BOROUGH OF FREEHOLD SCHOOL DISTRICT
COUNTY OF MONMOUTH
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

FOR THE YEAR ENDED JUNE 30, 2023:

There were no findings for the year ended June 30, 2023.