

***FRANKFORD TOWNSHIP BOARD OF EDUCATION***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2022***

***FRANKFORD TOWNSHIP BOARD OF EDUCATION***

***Frankford Township Board of Education  
Board of Trustees  
Branchville, New Jersey***

***Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2022***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

***Prepared By***

***Frankford Township Board of Education  
Finance Department***

***And***

***Barre & Company, LLC CPA's***

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**STATE BOARD OF EDUCATION**

KATHY A. GOLDENBERG..... President	Burlington
ANDREW J. MULVIHILL..... Vice President	Sussex
ARCELIO APONTE.....	Middlesex
MARY BETH BERRY.....	Hunterdon
ELAINE BOBROVE.....	Camden
FATIMAH BURNAM-WATKINS.....	Union
RONALD K. BUTCHER.....	Gloucester
JACK FORNARO.....	Warren
MARY ELIZABETH GAZI.....	Somerset
NEDD JAMES JOHNSON, ED.D.....	Salem
ERNEST P. LEPORE.....	Hudson
JOSEPH RICCA, JR., ED D.....	Morris
SYLVIA SYLVIA-CIOFFI.....	Monmouth

**Angelica Allen-McMillan, Ed.D, Acting Commissioner**  
Secretary, State Board of Education

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***INTRODUCTORY SECTION***

***Frankford Township Board of Education***  
***4 Pines Road***  
***Branchville, New Jersey 07826***

February 8, 2023

Honorable President and  
Members of the Board of Trustees  
Frankford Township Board of Education  
County of Sussex  
Branchville, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Frankford Township School District for the fiscal year ended June 30, 2022, is hereby submitted. This report includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in 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 comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The financial section also includes Management's Discussion and Analysis, which is an overview of the District's current financial status and future outlook. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular OMB 15-08. Information related to this State single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

- 1. REPORTING ENTITY AND ITS SERVICES:** Frankford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All funds of the District are included in this report. The Frankford Township Board of Education constitutes the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels from Kindergarten through Eighth Grade. These include regular as well as special education for handicapped children. The District completed the 2021-2022 fiscal year with an ending enrollment of 541. The following details the changes in the average daily student enrollment of the District over the last ten years.

The District completed the 2021-2022 fiscal year with an ending enrollment of 541. The following details the changes in the average daily student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2021 - 2022	541	14.1%
2020 - 2021	474	-5.95%
2019 - 2020	504	0.00%
2018 - 2019	504	-2.14%
2017 - 2018	515	-2.83%
2016 - 2017	530	0.95%
2015 - 2016	525	-2.78%
2014 - 2015	540	2.35%
2013 - 2015	553	0.91%
2012 - 2013	548	-5.67%

*Data from annual end of year reports to NJ Department of Education*

**2. ECONOMIC CONDITION AND OUTLOOK:** The Frankford Township area is primarily a suburban bedroom community, which continues to experience a period of economic stabilization. Although there is some new construction, the 5-acre minimum that has been established has reduced the number of possible building projects. There has been no significant growth in the development of commercial property over the past few years. Of the ten largest Principal Taxpayers (see the Schedule of Principal Taxpayers in the Statistical Section of this report), four Principal Taxpayers continue to be families or family-owned recreational businesses, while Farm and Horse Show is non-profit. Operating expenses continue to rise due to continued increases in educational expenses and additions to curriculum. Local taxpayers continue to bear the lion's share of the District's financial resources as the state legislature sends most of the state aid to urban districts.

Since the 2012-2013 school year, the average daily student population has decreased incrementally. However, over the same period, increases in tax levy have occurred as state aid has either remained begun to decrease significantly in conjunction with rising fixed expenses and a need for additional programs and an increased classified student population. In the past, surplus had been used to reduce the effects of fluctuating state aid.

Frankford Twp. Board of Education has therefore reduced undesignated surplus to the mandated limits. Realizing that a lack of surplus availability and declining state aid has an opposite effect on the tax levy, the Board of Education and administration have worked extensively to limit the tax impact as much as possible each year.

**3. MAJOR INITIATIVES:** We feel we are providing an exemplary educational program for the students of Frankford Township and Branchville. Curriculum revisions, faculty workshops and training, classroom instructional enhancements and other initiatives are regularly put forth by the faculty, administration, board and community in order to continue in that vein. A sampling follows:

- A. Upon the full return from the Covid 19 pandemic, mental health and SEL is a focus of professional development and classroom support. In addition, curriculum implementation continues to focus on the revised curriculum of the NJSLs for seven different content areas. The major areas of focus are the implementation of Eureka Math <sup>2</sup> and the continued revision of the health curriculum to meet the needs of our local community. We continue to evaluate our curriculum to best suit the needs of our students. As we began the process to review curricular programming for English Language Arts to purchase a program for implementation in Fall of 2023.
- B. Faculty and staff continue to participate in in-service and workshop programs focused on SEL for all students presented by ESS. Identifying ways and strategies to support students SEL and create both student and staff support for SEL is the primary focus of professional development for all staff. Professional development in the area of Mathematics to support the implementation of a new program, Eureka Math <sup>2</sup> is the focus for PD for mathematics instructors in the district.
- C. RTI or Response to Intervention continues to be a major initiative with a more inclusive, classroom-oriented program. Identified students in grades 1 - 8 are now eligible for after school tutoring in the areas of ELA and/or mathematics. The RTI program has been extended into our grade 5th - 8th middle school programming. This is supported from Title 1 funding for after school or before school tutoring and in school support from identified staff in the areas of ELA and Math. The ongoing process of identifying additional methods to support students with identified gaps is an ongoing process.
- D. FTSD is continuing to address issues of bullying and violence. We actively participate in the County sponsored "Taking Flight to Change" anti-bullying program, locally developed programs through student council and other school organizations as well as the infusion of the Holocaust Curriculum through all content areas and grade levels, the guidance counselors and media support personnel are instrumental in the implementation of these lessons and activities.
- E. FTSD supports two full time Guidance Positions. One serves the elementary grades K through 4 and one serves the middle school grades 5 through 8. Plans for the upcoming year include providing an in-house mental health clinician. Students with mental health needs will be entered through our RTI process and then assessed by the individual. For the second year, Effective School Solutions has provided a full-time mental health clinician who works with our students to assist them with Social and Emotional learning.

- F. Technology was a main focus as we exited the pandemic. A large purchase of Chromebooks was placed to ensure all students had access to remote learning. . We continue to monitor equipment longevity and have planned out long term lease purchases for all systems to keep the budget at a consistent level.
- G. School Security continues to be a priority. Monthly drills are planned and implemented. New foyers have been built along with an elementary security office that keeps parents from entering the building without being checked in first. A full-time security officer was hired for the 22-23 school year.

**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 accounting principles generally accepted in the United States of America (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 also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic 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 re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30.

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

**7. 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.

**8. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Lerch, Vinci and Higgins, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the state Treasury Circular Letter OMB 15- 08. The auditor's report on the basic financial statements and required supplementary information 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.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Christopher Lessard', with a large, stylized flourish at the end.

Christopher Lessard

Board Secretary/Business Administrator

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>EXPIRES</u></b>
	January
Ralph Smith, President	2023
Jodi Fernandez, Vice-President	2023
Kathleen Adam	2024
Raymond Castellani, III	2024
Michaela Meinecke-Perez	2024
Larissa Longberg	2023
Kaitlin Frato	2025
Jennifer Knaust	2025
Mandy Jaust	2025

**OTHER OFFICIALS**

Braden Hirsch	Superintendent
Christopher Lessar	School Business Administrator/Board Secretary
Sharon Yarosz	Treasurer



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

Barre & Company LLC  
Certified Public Accountants  
2204 Morris Avenue, Suite 206  
Union, New Jersey 07083

***Attorney***

Busch Law Group  
450 Main Street  
Metuchen, NJ 08840

***Official Depository***

Lakeland Bank  
250 Oak ridge  
Jackson, New Jersey 08527

***FINANCIAL SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

*2204 Morris Avenue, Suite 206*  
*Union, New Jersey 07083*  
*(908) 686-3484*  
*FAX – (908) 686-6055*

**Independent Auditor’s Report**

Honorable President  
Members of the Board of Education  
Frankford Township Board of Education  
County of Sussex  
Branchville, New Jersey

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Frankford Township Board of Education (the “District”), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Frankford Township Board of Education, in the, State of New Jersey, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance. Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Frankford Township Board of Education 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.

***Emphasis of Matter***

***Adoption of New Accounting Principle***

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

### *Consistency of Financial Statements*

As a result of the adoption of GASB Statement No. 87, leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the School. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

The District had no leases under GASB Statement No. 87, therefore net position and fund balance as of July 1, 2021 on the statement of activities and statement of revenues, expenditures, and changes in fund balances, were not restated.

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

The District's 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.

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

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

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

In performing an audit in accordance with GAAS 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 Frankford Township Board of Education'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 Frankford Township Board of Education's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and post-employment benefit schedule in Exhibits L-1 through L-3, M-1, and the related notes be presented to supplement the basic financial statements and budgetary comparison information in Exhibits C-1 through C-3. 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Frankford Township Board of Education's basic financial statements. The combining and related major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedule and schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***


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

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

**Other Reporting Required by *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey**

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated February 8, 2023 on our consideration of the Frankford Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the District's internal control over financial reporting and compliance.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
February 8, 2023

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED**

The discussion and analysis of Frankford Township Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- ❖ General revenues accounted for \$14,670,541 or 91% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for 1,455,445 or 9% of total revenues of \$16,125,986. The District had 15,332,769 in expenses; only \$1,455,445 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$14,670,541 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$13,507,511 in revenues and \$13,342,736 in expenditures. The General Fund's fund balance increased \$164,775 over 2021. This increase was anticipated by the Board of Trustees.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of Frankford Township Board of Education, the General Fund is by far the most significant fund.

**Reporting the District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED  
(CONTINUED)**

**Statement of Net Position and the Statement of Activities (Continued)**

most private-sector businesses. 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 changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- ❖ Governmental activities — All of the District's programs and services are reported here including instruction, administration, support services, and capital outlay.
- ❖ Business-Type Activity — This service is provided on a charge for goods or services basis to recover all the expenses 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 Statements**

Fund financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund and Special Revenue Fund.

**Governmental Funds**

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED  
(CONTINUED)**

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**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 starting on page 35 of this report.

**The District as a Whole**

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

The District's financial position is the product of several financial transactions including the net results of activities.

The District's combined Net Position were \$2,912,098 for 2022 and \$2,312,314 for 2021.

**Governmental Activities**

The District's total revenues were \$15,864,612 for 2022 and \$13,560,657 for 2021, this includes 397,770 for 2022 and \$376,695 for 2021 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$13,947,333 for 2022 and \$13,550,478 for 2021. Instruction comprises \$5,371,653 for 2022 and \$5,959,435 for 2021 of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (Food Service, Summer Enrichment, and Preschool) were comprised of charges for services and federal and state reimbursements.

- ❖ Revenue exceeded expenses by \$40,393 for 2022 and \$ 40,186 for 2021.
- ❖ Charges for services represent \$55,458 for 2022 and \$20,535 for 2021 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast were \$205,647 for 2022 and \$32,726 for 2021.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED  
(CONTINUED)**

**Governmental Activities**

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services.

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

Administration includes expenses associated with administrative and financial supervision of the District.

Support services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents instructional and/or non-instructional equipment purchased and is capitalized when such equipment is over the \$2,000 threshold.

**The District's Funds**

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$14,581,654 for 2022 and \$13,560,657 for 2021 and expenditures were \$14,108,921 for 2022 and \$13,550,478 for 2021. The net change in fund balance was most significant in the general fund, an increase of \$164,775 in 2022 and an decrease of -\$39,821 in 2021.

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 for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Local Sources	9,391,361	64.41%	\$ 402,545	4.48%
Intermediate Sources	-	0.00%	-	0.00%
State Sources	4,651,943	31.90%	621,191	15.41%
Federal Sources	538,350	3.69%	207,408	62.67%
Total	<u>\$ 14,581,654</u>	<u>100.00%</u>	<u>\$ 1,231,144</u>	

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED  
(CONTINUED)**

**The District's Funds (Continued)**

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Instruction	\$ 5,352,037	37.93%	\$ (607,395)	-10.19%
Administration	-	0.00%	-	0.00%
Support Services	8,548,672	60.59%	1,612,929	23.26%
Capital Outlay	46,624	0.33%	(443,543)	-90.49%
Principal and Interest	161,588	1.15%	(3,548)	-2.15%
<b>Total</b>	<b>\$ 14,108,921</b>	<b>100.00%</b>	<b>\$ 558,443</b>	

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**Capital Assets (Net of Depreciation) and Debt Administration**

The District had \$4,948,629 for 2022 and \$3,984,711 for 2021 invested in in land, buildings, furniture and equipment, and vehicles, net of accumulated depreciation, respectively.

At June 30, 2022 and 2021, the school district had \$3,002,760 and \$3,697,916 of long-term liabilities, respectively. Of this amount \$ 554,442 and \$ 500,346 is for compensated absences, and \$1,055,000 and \$1,190,000 for serial bonds and \$1,393,318 and \$2,007,570 for net pension liability for the years ended June 30, 2022 and 2021, respectively.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
BRANCHVILLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022  
UNAUDITED  
(CONTINUED)**

**For the Future**

The Frankford Township Board of Education is in stable financial condition presently. The District is proud of its community support. A major concern is the continued enrollment growth of the District with the increased reliance on federal and state funding.

In conclusion, Frankford Township Board of Education has committed itself to financial stability for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the 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, contact Christopher Lessard, School Business Administrator/Board Secretary at Frankford Township Board of Education, 4 Pines Road Branchville, NJ 07826 or email at [lessardc@frankfordschool.org](mailto:lessardc@frankfordschool.org).

***BASIC FINANCIAL STATEMENTS***

**SECTION A – DISTRICT-WIDE FINANCIAL STATEMENTS**

*The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.*

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 792,374	\$ 128,390	\$ 920,764
Internal Balances	79,008	(79,008)	-
Receivables, Net	421,564	14,139	435,703
Inventories		8,168	8,168
Restricted Cash with Fiscal Agent			
Cash and Cash Equivalents	887,932		887,932
Capital Assets, Net			
Capital Assets, Being Depreciated	4,948,629	14,359	4,962,988
<b>Total Assets</b>	<b>7,129,507</b>	<b>86,048</b>	<b>7,215,555</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions	38,305		38,305
<b>Total Deferred Outflows of Resources</b>	<b>38,305</b>	<b>-</b>	<b>38,305</b>
<b>LIABILITIES:</b>			
Accounts Payable	148,177		148,177
Bond Interest Payable	11,944		11,944
Payable to State Government	37,932		37,932
Unearned Revenue	15,343	9,055	24,398
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	140,000		140,000
Due Beyond One Year:			
Other Long-Term Liabilities	1,469,442		1,469,442
Aggregate Net Pension Liability	1,393,318		1,393,318
<b>Total Liabilities</b>	<b>3,216,156</b>	<b>9,055</b>	<b>3,225,211</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions	1,099,630		1,099,630
<b>Total Deferred Outflows of Resources</b>	<b>1,099,630</b>	<b>-</b>	<b>1,099,630</b>
<b>NET POSITION (DEFICIT):</b>			
Net Investment in Capital Assets	4,948,629	16,921	4,965,550
Restricted for:			
Capital Projects Fund	683,398		683,398
Unemployment Compensation	94,551		94,551
Debt Service Fund	1		1
Other Purposes	496,634		496,634
Student Activities	58,357		58,357
Unrestricted (Deficit)	(3,429,544)	60,072	(3,369,472)
<b>Total Net Position (Deficit)</b>	<b>\$ 2,852,026</b>	<b>\$ 76,993</b>	<b>\$ 2,929,019</b>

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



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
Instruction:							
Regular	3,796,195	\$ -	\$ 204,707	\$ -	\$ (3,591,488)	\$ -	\$ (3,591,488)
Special Education	1,132,123		590,533		(541,590)		(541,590)
Other Special Education	346,759				(346,759)		(346,759)
Other Instruction	96,576				(96,576)		(96,576)
Support Services (Charter School)					-		-
Student and Instruction Related Services	1,367,626	35,344			(1,332,282)		(1,332,282)
School Administrative Services	4,937,032				(4,937,032)		(4,937,032)
General and Business Administrative Services	1,616,110				(1,616,110)		(1,616,110)
Plant Operations and Maintenance	920,282				(920,282)		(920,282)
Pupil Transportation	520,380		363,756		(156,624)		(156,624)
Capital Outlay	500				(500)		(500)
Interest on Long-Term Debt	30,777				(30,777)		(30,777)
Unallocated Depreciation	347,428				(347,428)		(347,428)
<b>Total Governmental Activities</b>	<b>15,111,788</b>	<b>35,344</b>	<b>1,158,996</b>	<b>-</b>	<b>(13,917,448)</b>	<b>-</b>	<b>(13,917,448)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Food Program	185,346	221,792				36,446	36,446
Summer Enrichment	15,635	19,213				3,578	3,578
Preschool Program	20,000	20,100				100	100
Total Business-Type Activities	220,981	261,105				40,124	40,124
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 15,332,769</b>	<b>\$ 296,449</b>	<b>\$ 1,158,996</b>	<b>\$ -</b>	<b>\$ (13,917,448)</b>	<b>\$ 40,124</b>	<b>\$ (13,877,324)</b>
<b>GENERAL REVENUES:</b>							
Property Taxes Levied For:							
General Purposes					\$ 9,213,940	\$ -	\$ 9,213,940
Debt Service					161,588		161,588
Federal and State Aid Not Restricted					5,259,315		5,259,315
Investment Earnings - Unrestricted					5,381		5,381
Miscellaneous Income					30,048	269	30,317
Total General Revenues					14,670,272	269	14,670,541
Change in Net Position					752,824	40,393	793,217
Net Position - July 1					2,099,202	36,600	2,135,802
Net Position - June 30					\$ 2,852,026	\$ 76,993	\$ 2,929,019

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

**SECTION B – FUND FINANCIAL STATEMENTS**

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

***GOVERNMENTAL FUNDS***

**Frankford Township Board of Education**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 735,163	\$ 57,210	\$ 1	\$ 792,374
Restricted				
Capital Reserve Account	683,398			683,398
Maintenance Reserve Account	204,534			204,534
Receivables:				
Interfund Receivables	204,996	-		204,996
Receivables From Other Governments	266,087	142,712		408,799
Other Receivables	7,738	5,027		12,765
Total Current Assets	2,101,916	204,949	1	2,306,866
Total Assets	\$ 2,101,916	\$ 204,949	\$ 1	\$ 2,306,866
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Current Liabilities:				
Interfund Payables	\$ -	\$ 125,988		\$ 125,988
Accounts Payable	141,769	6,408		148,177
Payroll Deductions and Withholdings	12,939	-		12,939
Unemployment Compensation Claims Payable	24,993	-		24,993
Unearned Revenue	-	15,343		15,343
Total Current Liabilities	179,701	147,739	-	327,440
Total Liabilities	179,701	147,739	-	327,440
Fund Balances:				
Restricted For:				
Excess Surplus	135,000			135,000
Excess Surplus - Designated for Subsequent Year's Expenditures	150,000			150,000
Capital Reserve Account	683,398			683,398
Maintenance Reserve	204,534			204,534
Student Activities		57,210		57,210
Unemployment	106,562			106,562
Assigned:				
Year-End Encumbrances	170,257			170,257
Committed Year End Encumbrances	7,100			7,100
Unassigned:				
General Fund	465,364			465,364
Debt Service Fund			1	1
Total Fund Balances	1,922,215	57,210	1	1,979,426
Total Liabilities and Fund Balances	\$ 2,101,916	\$ 204,949	\$ 1	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$12,145,359 and the accumulated depreciation is \$7,196,730.				
				4,948,629
Net pension liability of \$1,393,318, deferred inflows of resources of \$1,099,630 less deferred outflows of resources of \$38,305 related to pensions are not reported in the governmental funds				
				(2,454,643)
Some liabilities are not due and payable in the current year and therefore are not reported as a liability in the funds. Those liabilities consist of accrued interest on mortgage.				
				(11,944)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				
				(1,609,442)
Net Position of Governmental Activities				\$ 2,852,026

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Total
<b>REVENUES:</b>				
Local Sources:				
Local Tax Levy	\$ 9,213,940	\$ -	\$ 106,648	\$ 9,320,588
Interest on Investments	5,381			5,381
Local Sources		17,306		17,306
Miscellaneous	12,742	35,344		48,086
<b>Total Local Sources</b>	<b>9,232,063</b>	<b>52,650</b>	<b>106,648</b>	<b>9,391,361</b>
Intermediate Sources				
State Sources	4,584,553	12,450	54,940	4,651,943
Federal Sources		538,350		538,350
<b>Total Revenues</b>	<b>13,816,616</b>	<b>603,450</b>	<b>161,588</b>	<b>14,581,654</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	5,180,571	171,466		5,352,037
Support Services	8,135,511	413,161		8,548,672
Capital Outlay	26,654	19,970		46,624
Principal			135,000	135,000
Interest and other Charges			26,588	26,588
<b>Total Expenditures</b>	<b>13,342,736</b>	<b>604,597</b>	<b>161,588</b>	<b>14,108,921</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>473,880</b>	<b>(1,147)</b>	<b>-</b>	<b>472,733</b>
<b>FUND BALANCES, JULY 1</b>	<b>1,448,335</b>	<b>58,357</b>	<b>1</b>	<b>1,506,693</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 1,922,215</b>	<b>\$ 57,210</b>	<b>\$ 1</b>	<b>\$ 1,979,426</b>

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Reconciliation of the Statement of Revenues, Expenditures  
 And Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental fund (from B-2)	\$	472,733
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expense	\$ (413,916)	
Capital Outlay	<u>46,124</u>	(367,792)
<p>Repayment of mortgage principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		135,000
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations &amp; sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		54,096
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		
		462,976
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		<u>(4,189)</u>
Change in net position of governmental activities	\$	<u><u>752,824</u></u>

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

***PROPRIETARY FUNDS***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Proprietary Fund  
 Statement of Net Position  
 June 30, 2022

Business-Type Activities  
 Enterprise Funds

	Food Service	Other Nonmajor Enterprise Fund	Total Enterprise Funds
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 107,761	\$ 20,629	\$ 128,390
Receivables From Other Governments	13,139		13,139
Other Receivables		1,000	1,000
Inventories	8,168		8,168
<b>Total Current Assets</b>	<b>129,068</b>	<b>21,629</b>	<b>150,697</b>
Noncurrent Assets:			
Machinery and Equipment	92,476		92,476
Less Accumulated Depreciation	(78,117)		(78,117)
<b>Total Noncurrent Assets</b>	<b>14,359</b>	<b>-</b>	<b>14,359</b>
<b>Total Assets</b>	<b>\$ 143,427</b>	<b>\$ 21,629</b>	<b>\$ 165,056</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Accounts Payable	\$ 79,008		\$ 79,008
Deferred Revenue	4,093		4,093
<b>Total Current Liabilities</b>	<b>83,101</b>	<b>-</b>	<b>83,101</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
U.S.D.A Commodities	4,962		4,962
<b>Total Deferred Inflows of Resources</b>	<b>4,962</b>	<b>-</b>	<b>4,962</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>88,063</b>	<b>-</b>	<b>88,063</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	16,921		16,921
Unrestricted	38,443	21,629	60,072
<b>Total Net Position</b>	<b>55,364</b>	<b>21,629</b>	<b>76,993</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 143,427</b>	<b>\$ 21,629</b>	<b>\$ 165,056</b>

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



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended June 30, 2022

Business-Type Activities  
Enterprise Funds

	Food Service Program	Other NonMajor Funds	Total
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales Reimbursable Program	\$ 16,145	\$ -	\$ 16,145
Daily Sales Non-reimbursable Program	-	39,313	39,313
Miscellaneous Revenue	269		269
<b>Total Operating Revenues</b>	<b>16,414</b>	<b>39,313</b>	<b>55,727</b>
<b>OPERATING EXPENSES:</b>			
Salaries	75,138	31,016	106,154
Management Fees	7,301		7,301
Support Services - Employee Benefits	-	843	843
Other Purchased Services	-	2,941	2,941
Supplies and Materials	3,543	835	4,378
Depreciation Expense	2,562		2,562
Cost of Sales- Reimbursable Programs	82,974	-	82,974
Miscellaneous Expenses	13,828		13,828
<b>Total Operating Expenses</b>	<b>185,346</b>	<b>35,635</b>	<b>220,981</b>
<b>OPERATING GAIN (LOSS)</b>	<b>(168,932)</b>	<b>3,678</b>	<b>(165,254)</b>
<b>NONOPERATING REVENUES:</b>			
State Source:			
State Lunch Program	4,571	-	4,571
Federal Source:			
Federal Lunch Program	194,631	-	194,631
Other Nutrition Programs	6,445		6,445
<b>Total Nonoperating Revenues</b>	<b>205,647</b>	<b>-</b>	<b>205,647</b>
<b>CHANGE IN NET POSITION</b>	<b>36,715</b>	<b>3,678</b>	<b>40,393</b>
<b>TOTAL NET POSITION, JULY 1</b>	<b>18,649</b>	<b>17,951</b>	<b>36,600</b>
<b>TOTAL NET POSITION, JUNE 30</b>	<b>\$ 55,364</b>	<b>21,629</b>	<b>\$ 76,993</b>

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

**Frankford Township Board of Education**  
Proprietary Funds  
Statement of Cash Flows  
For The Fiscal Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds		
	Food Service Program	Other NonMajor Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$14,633	\$38,313	\$52,946
Cash Payments to Suppliers and Employees	(139,204)	(35,635)	(174,839)
Net Cash Used by Operating Activities	(124,571)	2,678	(121,893)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash Received from State and Federal Reimbursements	205,647		205,647
Net Cash Provided by Noncapital Financing Activities	205,647	-	205,647
Net Decrease in Cash and Cash Equivalents	81,076	2,678	83,754
Cash and Cash Equivalents, July 1	26,685	17,951	44,636
Cash and Cash Equivalents, June 30	\$ 107,761	\$ 20,629	\$ 128,390
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>			
Operating Gain (Loss) Used for Operating Activities	\$ (168,932)	\$3,678	\$ (165,254)
Depreciation	2,562		2,562
<b>Changes in Assets and Liabilities:</b>			
Increase in Inventory	(753)		(753)
Increase in Intergovernmental Accounts Receivable	(8,084)	(1,000)	(9,084)
Increase in Interfund Accounts Payable	52,417		52,417
Decrease in Unearned Revenue	(1,781)		(1,781)
Net Cash Used by Operating Activities	\$ (124,571)	\$ 2,678	\$ (121,893)

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

***FIDUCIARY FUNDS  
(NOT APPLICABLE)***

***NOTES TO THE FINANCIAL STATEMENTS***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**1. Basis of Presentation**

The financial statements of Frankford Township Board of Education (the "Board" or the "District") have been prepared in conformity with generally accepted accounting principles generally (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body responsible for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the District are described below.

**2. Reporting Entity**

The Frankford Township Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure 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 Frankford Township Board of Education this includes general operations, food service, summer enrichment and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and ( 1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Reporting Entity (Continued)**

on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**3. Basic Financial Statements – District-Wide Statements**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the District. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

**4. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

**Governmental Fund Types**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses,

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Basic Financial Statements – Fund Financial Statements (Continued)**

and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

**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 which are classified in the Capital Outlay subfund. Debt service is budgeted in the General Fund.

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

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

Special Revenue Fund – The Special Revenue Fund is used to account for 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.

Debt Service Fund- The Debt Service Fund accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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.

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Basic Financial Statements – Fund Financial Statements (Continued)**

Enterprise Funds – The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that the 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 summer enrichment fund accounts for the activities of the Summer School Program which provides education opportunities beyond the regular school term.

Governments should establish a policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, and use it consistently from period to period. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities normally would not be reported as components of operating income.

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

As a general rule the effect of interfund activity has been eliminated from the District-Wide financial statements; however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Basic Financial Statements – Fund Financial Statements (Continued)**

other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for daily sales of food, special functions and miscellaneous receipts. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

Trust Funds – The unemployment compensation fund is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, the State of New Jersey requires Districts to include the unemployment compensation trust as a private-purpose trust fund. The principal and income deposited into this fund are for the sole benefit of the specific individuals or former employees. The management of the District is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey.

Agency Funds (Payroll, Payroll Agency, Student Activity and Athletic Funds): The agency funds are used to account for the assets that the District holds on behalf of others as their agent. These are custodial in nature and do not involve measurement of results of operations.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their Districts. The requirements of this

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Basic Financial Statements – Fund Financial Statements (Continued)**

Statement are effective for reporting periods beginning after December 15, 2020, or fiscal year 2020-2021. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that Payroll, Payroll Agency, and Unemployment Compensation Insurance (Fund 60), activities are more appropriately reported in a general fund (Fund 10). Additionally, Student Activity (Fund 90) activity are more appropriately reported in a special revenue fund (Fund 20).

**5. Measurement Focus and Basis of Accounting**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**6. Budgets/Budgetary Control**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P .L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 13, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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)l. The Board approved several budget transfers during 2021/2022. Also, the fiscal year the Board increased the original budget by \$1,125,236. The increase was funded by the additional appropriation of state aid, capital reserve, maintenance reserve, grant awards and the reappropriation of prior year general fund encumbrances.

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, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Budgets/Budgetary Control (Continued)**

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting:

	2022
Total Revenues & Expenditures (Budgetary Basis)	\$ 604,597
Adjustments:	
Less Encumbrances at June 30, 2022	(13,604)
Plus Encumbrances at June 30, 2021	-
Total Revenues and Expenditures (GAAP Basis)	\$ 590,993

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Note A in the Required Supplementary Information Section.

**7. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

**8. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Capital Reserve (Continued)**

Funds placed in the capital reserve 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 of any unanticipated revenue or unexpended line-item appropriation amounts or both. 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-14.1 (g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity for the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance at June 30, 2021	\$ 366,585
Increased by:	
Deposits Approved by Board Resolution	<u>316,813</u>
Balance at June 30, 2022	<u>\$ 683,398</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects is \$2,672,823 .

**9. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance at June 30, 2021		\$ 166,346
Increased by:		
Deposits Approved by Board Resolution		50,000
Decreased by:		
Withdrawals Approved by Board Resolution		11,812
Balance at June 30, 2022		\$ 204,534

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,672,823 . The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**10. Transfers to Capital Outlay**

During the 2021/2022 school year, the district transferred \$67,103 to the non-equipment capital outlay accounts. The transfer was made from other budget line items for an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

**11. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$285,000. Of this amount, \$150,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$135,000 will be appropriated in the 2023/2024 original budget certified for taxes.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**12. Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity)**

1. Deposits and Investments

Deposits are cash and cash equivalents including 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. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. 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 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 Districts.

Additionally, the District had adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provision 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.

2. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represents 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.

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity) (Continued)**

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Buildings	30-40 years
Machinery and Equipment	5-15 years
Land Improvements	10-20 years
Building Improvements	10-20 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)**

Deferred Outflows/Inflows of Resources(Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two type of items, which arise under the accrual basis of accounting. The one item that qualifies for reporting is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

The government also has a second item, which qualifies for reporting in this category. It is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)**

Long-Term Obligations (Continued)

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

Restricted represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Assigned fund balances represent plans for future use of financial resources.

9. Prepaid Expenses

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The District had no prepaid expenses for the fiscal year ended June 30, 2022.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (non-allocation method). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

10. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the District is eligible to realize the revenue.

11. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)**

12. Net Position/Fund Balance

In the District-Wide Statements, there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included.

Restricted Net Position – reports net position when constraints placed on the residual amount of noncapital assets are either imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – any portion of net position not already classified as either net investment in capital assets or net position-restricted.

13. Fund Balance Reserves

In the fund financial statements, governmental funds report the following classifications of fund balance:

**Restricted Fund Balance**-Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus - Designated for Subsequent Year's Expenditures - This 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

Excess Surplus - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Capital Reserve - This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

Maintenance Reserve - This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2C).

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)**

Fund Balance Reserves (Continued)

Unemployment Compensation - This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method).

Debt Service - Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Student Activities -This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

**Committed Fund Balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances - Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Assigned Fund Balance** - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances - Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Unassigned Fund Balance** - Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**Assets, Liabilities, Deferred Outflow/Inflows of Resources, Net Position and Fund Equity (Continued)**

Fund Balance Reserves (Continued)

consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

14. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

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

**13. Impact of Recently Issued Accounting Principles**

During fiscal years 2022 through 2023, the District has adopted the following GASB statements.

**The District has adopted the following as of June 30, 2022**

GASB No. 87, Leases, was effective with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**A. Impact of Recently Issued Accounting Principles**

- GASB Statement No. 91, Conduit Debt Obligations, effective for the year ending June 30, 2023.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.
- GASB Statement No. 99, Omnibus 2022, effective for the year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**14. PENSIONS**

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES**

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 Governmental Unit Deposit Protection Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits 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.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 1,623,095	\$ 57,210	\$ 107,761	\$ 1,788,066

The District had no investments at June 30, 2022.

The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$1,788,066 and the bank balance was \$1,945,278. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2022, none of the cash and cash equivalents for Frankford Township Board of Education were exposed to custodial credit risk.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)**

A. Deposits and Investments (Continued)

Deposits (Continued)

The District does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA.

Investments

New Jersey statutes (N.J.S.A.18A:20-37) permit the District to purchase the following types of securities:

- a. When authorized by resolution adopted by a majority vote of all its board members, the District may use moneys which may be in hand for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the District;
  - (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
  - (2) Government money market mutual funds;
  - (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest no dependent on any index or other external factor;
  - (4) Bonds or other obligations of the District or bonds or other obligations of local unit or units within which the District is located;
  - (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by Districts;
  - (6) Local government investment pools;
  - (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or
  - (8) Agreements for the repurchase of fully collateralized securities, if:
    - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
    - b. the custody of collateral is transferred to a third party;
    - c. the maturity of the agreement is not more than 30 days; and
    - d. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES  
(CONTINUED)**

Investments (Continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any investments at June 30, 2022.

Interest Rate Risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District did not have any investments at June 30, 2022.

Concentration of Credit Risk: The District places no limit on the amount they may invest in any one issuer. The District did not have any investments at June 30, 2022.

Receivables

Receivables at June 30, 2022, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. Accounts receivable as of the fiscal year end of the District's individual major and fiduciary funds, in the aggregate, are as follows:

	Governmental Funds		Total Governmental Activities	Proprietary	Total Business Type Activities	Total
	General Fund	Special Revenue Fund		Food Service Fund		
State Awards	\$ 266,087	\$ 12,450	\$ 278,537	\$ 296	\$ 296	\$ 278,833
Federal Awards	-	130,262	130,262	12,843	12,843	143,105
Other	7,738	5,027	12,765	1,000	1,000	13,765
Gross Receivables	273,825	147,739	421,564	14,139	14,139	435,703
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 273,825	\$ 147,739	\$ 421,564	\$ 14,139	\$ 14,139	\$ 435,703

**A. Interfund Receivables and Payables**

Transfers between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 204,996	\$ -
Special Revenue Fund		125,988
Proprietary Fund		79,008
Total	\$ 204,996	\$ 204,996

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES (CONTINUED)**

Receivables (continued)

Interfund balances are expected to be liquidated by the end of June 30, 2022

**B. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Land Improvements	\$ 243,393	\$ -	\$ -	\$ 243,393
Total Capital Assets Not Being Depreciated	<u>243,393</u>	<u>-</u>	<u>-</u>	<u>243,393</u>
<i>Capital Assets Being Depreciated:</i>				
Building and Building Improvements	\$ 9,528,760	\$ 46,124	\$ -	\$ 9,574,884
Machinery and Equipment	1,535,537	-	-	1,535,537
Total Capital Assets Being Depreciated	<u>11,855,842</u>	<u>46,124</u>	<u>-</u>	<u>11,901,966</u>
Less Accumulated Depreciation For:				
Leasehold Improvements	712,397	28,353	-	740,750
Building and Building Improvements	4,738,707	385,563	-	5,124,270
Machinery and Equipment	1,331,710	-	-	1,331,710
Total Accumulated Depreciation	<u>6,782,814</u>	<u>413,916</u>	<u>-</u>	<u>7,196,730</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>5,073,028</u>	<u>(367,792)</u>	<u>-</u>	<u>4,705,236</u>
Government Activity Capital Assets, Net	<u>\$ 5,316,421</u>	<u>\$ (367,792)</u>	<u>\$ -</u>	<u>\$ 4,948,629</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 92,476	\$ -	\$ -	\$ 92,476
Less Accumulated Depreciation	(75,555)	(2,562)	-	(78,117)
Enterprise Fund Capital Assets, Net	<u>\$ 16,921</u>	<u>\$ (2,562)</u>	<u>\$ -</u>	<u>\$ 14,359</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by Districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instructional	\$ 19,616
Student and Instruction Related Services	10,039
Plant Operations and Maintenance	19,051
School Administration	17,782
Unallocated	347,428
Total	<u>\$ 460,788</u>

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3: PENSION PLANS**

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. In addition, certain employees may participate in the Defined Contribution Retirement Program (DCRP).

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

**Plan Description**

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

**Benefits Provided**

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	Descriptions
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, 2010 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 1/55<sup>th</sup> 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 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of 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.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (CONTINUED)**

**Basis of Presentation**

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratios of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2022 in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (CONTINUED)**

**Contributions**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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 provided 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 amounts certified for payments due not be included in their 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. District contributions to PERS amounted to 137,740 for fiscal year 2022.

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the District reported a liability of \$ 1,393,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2021 measurement date, the District's proportion was 0.0117614287%, which was an decrease of -0.46833857% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$ 134,674 . At June 30, 2022, the District reported deferred outflows of resources and deferred inflows related to pensions from the following sources.

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JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (CONTINUED)**

**Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 7,256	\$ 496,030
Difference Between Expected and Actual Experience	\$ 21,974	9,975
Changes in Proportion	\$ 9,075	226,589
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	367,036
	<u>\$ 38,305</u>	<u>\$ 1,099,630</u>

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 amounts, respectively

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (413,509.57)
2024	\$ (295,245)
2025	\$ (201,307)
2026	\$ (151,323)
2027	\$ 59
	<u>\$ (1,061,325)</u>

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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (CONTINUED)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuations as of July 1,2020 This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
through 2026	2.00-6.00% based on years of service
Thereafter	3.00-7.00% based on years of service
Investment Rate of Return	7.00%

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is like that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and

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JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) (CONTINUED)**

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

inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.05%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.



**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 3: PENSION PLANS (CONTINUED)**

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District’s proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District proportionate share of the Net Pension Liability	\$ 1,917,642	\$ 1,393,318	\$ 975,811

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District proportionate share of the Net Pension Liability	\$ 2,527,196	\$ 2,007,570	\$ 1,566,653

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

**B. Teacher’s Pension Annuity Fund (TPAF)**

**Pension Description**

The State of New Jersey, Teacher’s 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 fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division’s Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
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**NOTE 3: PENSION PLANS (CONTINUED)**

**Teacher’s Pension Annuity Fund (TPAF) (Continued)**

**Benefit Provided**

The vesting and benefit provision 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 of 2% of related interest earned on the contributions. In the case of death before retirement, member’s beneficiaries are entitled to full interest credited to the member’s accounts. The following represents the membership tiers for TPAF:

Tier	Descriptions
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, 2010 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 1/55<sup>th</sup> 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 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective Tier. Deferred retirements 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.

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State’s actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021 measurement date.

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**NOTE 3: PENSION PLANS (CONTINUED)**

**Allocation Methodology (Continued)**

Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation**

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contribution was less than the actuarial determined amount.

This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal years ended 2022, the State of New Jersey contributed \$ 421,205 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$ 1,416,153 .

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

As June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$ 23,232,055 . The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

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**NOTE 3: PENSION PLANS (CONTINUED)**

**Special Funding Situation (continued)**

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 members, actuarially determined. At June 30, 2021, District's proportion was 0.0483244183%, which was a decrease of -0.0063839% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	23,232,055
<b>Total</b>	<b>\$ 23,232,055</b>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$ 1,416,153 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 5,289,559,561	\$ 24,224,281,713
Difference Between Expected and Actual Experience	941,265,828	142,774,569
Changes in Proportion and differences between employer contributions and proportionate share of contributions	142,705,445	142,705,445
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	2,854,036,178
	<b>\$ 6,373,530,834</b>	<b>\$ 27,363,797,905</b>

The \$ 6,373,530,834 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years.

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**NOTE 3: PENSION PLANS (CONTINUED)**

**Special Funding Situation (continued)**

The \$ 27,363,797,905 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year	Total
Ending June 30,	Total
2023	\$ (2,914,282,899)
2024	(3,500,098,875)
2025	(4,665,036,366)
2026	(4,192,375,542)
2027	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u>\$(20,990,267,071)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	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.

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**NOTE 3: PENSION PLANS (CONTINUED)**

**Actuarial Assumptions (continued)**

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on pension investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expecting inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2021 is summarized in the following table:

US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

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**NOTE 3: PENSION PLANS (CONTINUED)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
District's proportionate share of the Net Pension Liability	\$ 27,539,319	\$ 23,232,055	\$ 19,694,960

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.40%)	(5.40%)	(6.40%)
District's proportionate share of the Net Pension Liability	\$ 37,132,444	\$ 31,612,381	\$ 27,028,895

**Pension Plan Fiduciary Net Position – TPAF**

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
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**NOTE 3: PENSION PLANS (CONTINUED)**

**C. Defined Contribution Retirement Program (DCRP)**

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

**NOTE 4: POST-RETIREMENT BENEFITS**

**General Information about the OPEB Plan**

**Plan Description and Benefits Provided**

The school is in a "special funding situation", as described in GASB Statement No. 75 in that OPEB contributions and expense are legally required to be made by and are the sole responsibility of the State of New Jersey.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is



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**NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Plan Description and Benefits Provided (Continued)

administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011 , future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

*Employees covered by benefit terms:*

At the OPEB Plan's measurement date June 30, 2021, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted for the following members:

Active plan member								213,901
Inactive plan members or beneficiaries currently receiving benefits								150,427
Inactive plan members entitled to but not yet receiving benefit payments								-
								364,328
Total								364,328

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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**NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Actuarial Assumptions and Other Inputs

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:

Inflation Rate	2.50%			
		<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases				
Through 2026		1.55% to 4.45%	2.00% to 6.00%	3.25% to 15.25%
		based on service	based on service	based on service
		years	years	years
Rate thereafter		2.75% to 5.65%	3.00% to 7.00%	NOT
		based on service	based on service	APPLICABLE
		years	years	

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.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Discount rate

The discount rate for the June 30, 2021 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the District for the fiscal year ended June 20, 2022.

Balance at June 30, 2021				\$	37,937,567
Service cost					1,449,295
Interest on Total OPEB Liability					854,315
Effect on Changes of Benefit Terms					(35,053)
Difference between expected and actual experience					(6,654,566)
Effect of Changes of Assumptions					32,491
Effect of Changes of Proportion					
Contributions - Employee					21,841
Gross Benefits Paid by the State					(672,961)
	Net Changes				(5,004,638)
Balance at June 30, 2022				\$	32,932,929

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2021 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:

	Measurement Date Ended June 30, 2021		
	At 1%	At current	At 1%
	Decrease (1.16%)	discount rate (2.16%)	Increase (3.16%)
Total OPEB Liability	\$ 39,448,479	\$ 32,932,929	\$ 27,802,325

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

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

The following presents the total nonemployer OPEB liability measured as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%		At 1%
	decrease	Trend Rate	Increase
Total OPEB Liability	\$ 26,659,313	\$ 32,932,929	\$ 41,357,932

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

For the fiscal year ended June 30, 2022 the District recognized OPEB revenue and expense of \$ 1,282,958 in the District-Wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 4,964,493	\$ (9,883,758)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 5,586,654	(3,533,396)
Sub Total	10,551,147	(13,417,154)
Contributions Made in Fiscal Year 2022 after June 30, 2021 Measurement Date	TBD	N/A
Total	TBD	(13,417,154)

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Fiscal Year Ending June 30	
2022	\$ (648,862)
2023	\$ (648,862)
2024	\$ (648,862)
2025	\$ (648,862)
2026	\$ (461,332)
Total Thereafter	\$ 190,774
	\$ (2,866,007)

**NOTE 5: TAX ABATEMENT**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue 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 Frankford Township Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 6: MERGER OF NON-OPERATING SCHOOL DISTRICT**

Pursuant to P.L. 2007, c. 63 and A-4141, the Sussex County Executive County Superintendent filed a plan (the "Plan") with the Commissioner of the State of New Jersey, Department of Education (the "Commissioner"), to eliminate the nonoperating Branchville Borough School District and to provide for the education of the children of Branchville Borough in the Frankford Township School District. On June 30, 2009, the Commissioner agreed with and approved the Plan submitted for the merger of Branchville Borough School District with the Frankford Township School District, effective July 1, 2009.

The Plan provides for the continuation of a nine member board of education elected for staggered three year terms. Current members of the Frankford Township Board of Education will continue in office until the expiration of their respective terms, at which time the successor shall be elected at-large by the voters of the new district. Within 30 days of the merger of the districts, the Executive County Superintendent will appoint the existing representative from Branchville Borough to serve as a voting member of the Frankford Township Board of Education until the first Monday succeeding the first annual election in which a member of the Frankford Township Board of Education is elected at-large.

The Plan for the first year (2009-10) requires the tax levy to be allocated in the amounts equivalent to the 2009-10 districts' budgets certified for taxes. Thereafter, the Executive County Superintendent recommends that the levy be apportioned through a five-year phase in to 100% equalized valuation. The Commissioner finds that this recommendation results in the least-fiscally disruptive tax levy allocation as required by the statute.

**NOTE 7: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2022, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,932,688 , \$397,770 , \$451,554 , and \$900 , respectively.

**NOTE 8: CONTINGENCIES**

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 9: CONCENTRATIONS**

The District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**NOTE 10: DETAILED DISCLOSURE REGARDING FUND EQUITY**

**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:	
Excess Surplus	135,000
Excess Surplus - Designated for Subsequent Year's Expenditures	150,000
Capital Reserve Account	683,398
Maintenance Reserve	204,534
Unemployment	106,562
Special Revenue:	
Student Activities	57,210

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Year-End Encumbrances	170,257
Committed Year End Encumbrances	7,100

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund

General Fund	465,364
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**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022**

**NOTE 11: SUBSEQUENT EVENTS**

Subsequent events were evaluated through February 8, 2023, the date the financial statements were available to be issued.

**NOTE 12: IMPACT OF COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

Although the District cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the District’s results of future operations, financial position, and liquidity in fiscal year 2023.



***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C – BUDGETARY COMPARISON SCHEDULE***

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 9,213,940	\$ -	\$ 9,213,940	\$ 9,213,940	\$ -
Earnings on Investments	5,000		5,000	5,381	381
Unrestricted Miscellaneous Revenues				12,742	12,742
<b>Total Local Sources</b>	<b>9,218,940</b>	<b>-</b>	<b>9,218,940</b>	<b>9,232,063</b>	<b>13,123</b>
State Sources:					
Transportation Aid	253,966		253,966	253,966	-
Special Education Categorical Aid	412,297		412,297	412,297	-
Extraordinary Aid				204,707	204,707
Equalization Aid	23,845		23,845	23,845	-
Security Aid	48,682		48,682	48,682	-
Adjustment Aid	507,401		507,401	507,401	-
Other Unrestricted State Aid				41,638	41,638
On-Behalf TPAF Pension Aid				1,932,688	1,932,688
Reimbursed TPAF Social Security Aid				397,770	397,770
On-Behalf TPAF Post-Retirement Medical Aid				451,554	451,554
On-Behalf TPAF Long-Term Disability Insurance Aid				900	900
<b>Total State Sources</b>	<b>1,246,191</b>	<b>-</b>	<b>1,246,191</b>	<b>4,275,448</b>	<b>3,029,257</b>
<b>TOTAL REVENUES</b>	<b>10,473,212</b>	<b>-</b>	<b>10,473,212</b>	<b>13,507,511</b>	<b>3,034,299</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs:					
Salaries of Teachers:					
Kindergarten	260,561	(4,187)	256,374	256,373	1
Grades 1-5	1,686,424	7,131	1,693,555	1,693,554	1
Grades 6-8	1,353,811	(67,076)	1,286,735	1,286,734	1
<b>Total Regular Programs - Instruction</b>	<b>3,300,796</b>	<b>(64,132)</b>	<b>3,236,664</b>	<b>3,236,661</b>	<b>3</b>
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000	(1,695)	1,305	713	592
Purchased Prof/Ed Services	1,500	(1,305)	195	195	-
<b>Total Regular Programs - Home Instruction</b>	<b>4,500</b>	<b>(3,000)</b>	<b>1,500</b>	<b>908</b>	<b>592</b>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instructions	58,926	(26,560)	32,366	32,275	91
Other Purchased Services	61,026	(29,066)	31,960	30,640	1,320
General Supplies	117,441	26,132	143,573	134,234	9,339
Textbooks	50,000	117,192	167,192	164,195	2,997
Miscellaneous Expenditures		6,200	6,200	6,200	-
<b>Total Regular Programs - Undistributed Instruction</b>	<b>287,393</b>	<b>93,898</b>	<b>381,291</b>	<b>367,544</b>	<b>13,747</b>
<b>Total Regular Programs</b>	<b>3,592,689</b>	<b>26,766</b>	<b>3,619,455</b>	<b>3,605,113</b>	<b>14,342</b>
Resource Room/Resource Center:					
Salaries of Teachers	621,912	(7,263)	614,649	614,649	-
Other Salaries for Instruction	211,699	(6,484)	205,215	198,180	7,035
General Supplies	4,320	1,464	5,784	5,442	342
<b>Total Resource Room/Resource Center</b>	<b>837,931</b>	<b>(12,283)</b>	<b>825,648</b>	<b>818,271</b>	<b>7,377</b>

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 68,058	\$ (2,905)	\$ 65,153	\$ 64,403	\$ 750
Other Salaries for Instruction	34,879	44,061	78,940	77,430	1,510
General Supplies	690	(690)	-	-	-
<b>Total Preschool Disabilities - Part-Time</b>	<b>103,627</b>	<b>40,466</b>	<b>144,093</b>	<b>141,833</b>	<b>2,260</b>
Basic Skills/Remedial:					
Salaries of Teachers	277,747	69,298	347,045	345,586	1,459
General Supplies	1,870	(642)	1,228	1,173	55
<b>Total Basic Skills/Remedial</b>	<b>279,617</b>	<b>68,656</b>	<b>348,273</b>	<b>346,759</b>	<b>1,514</b>
<b>Total Special Education</b>	<b>1,352,789</b>	<b>138,375</b>	<b>1,491,164</b>	<b>1,478,882</b>	<b>12,282</b>
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	35,800	(5,412)	30,388	30,388	-
Purchased Services	2,250	(180)	2,070	2,070	-
Supplies and Materials	1,900	(1,900)	-	-	-
Transfer to Cover Deficit	7,500	(2,000)	5,500	3,000	2,500
<b>Total School-Sponsored Co-Curricular and Extra-Curricular Activities</b>	<b>47,450</b>	<b>(9,492)</b>	<b>37,958</b>	<b>35,458</b>	<b>2,500</b>
School-Sponsored Athletics:					
Salaries	25,707	187	25,894	25,894	-
Purchased Services	6,660	(3,550)	3,110	3,110	-
Supplies and Materials	700	(700)	-	-	-
<b>Total School-Sponsored Athletics</b>	<b>33,067</b>	<b>(4,063)</b>	<b>29,004</b>	<b>29,004</b>	<b>-</b>
<b>Total Other Instructional Programs</b>	<b>107,739</b>	<b>(8,663)</b>	<b>99,076</b>	<b>96,576</b>	<b>2,500</b>
<b>Total Instruction</b>	<b>5,053,217</b>	<b>156,478</b>	<b>5,209,695</b>	<b>5,180,571</b>	<b>29,124</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular		22,427	22,427	22,427	-
Tuition to Other LEAs Within the State - Special Education	35,000	30,103	65,103	65,103	-
Districts and Regional Day School Within the State	60,331	(35,209)	25,122	25,121	1
<b>Total Instruction</b>	<b>95,331</b>	<b>17,321</b>	<b>112,652</b>	<b>112,651</b>	<b>1</b>
Health Services:					
Salaries	71,157	1,847	73,004	71,419	1,585
Purchased Prof/Tech Services	6,000	31,729	37,729	32,818	4,911
Supplies and Materials	11,000	1,981	12,981	12,870	111
<b>Total Health Services</b>	<b>88,257</b>	<b>35,457</b>	<b>123,714</b>	<b>117,107</b>	<b>6,607</b>

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Support Services Students - OT, PT, and Related Services:					
Salaries	\$ 157,257	\$ 8,302	\$ 165,559	\$ 165,558	\$ 1
Purchased Prof/Ed Services	28,183	14,833	43,016	43,015	1
Supplies and Materials	630	(168)	462	461	1
Total Other Support Services Students - OT, PT, and Related Services	<u>186,070</u>	<u>22,967</u>	<u>209,037</u>	<u>209,034</u>	<u>3</u>
Other Support Services Students - Extraordinary Services:					
Purchased Prof/Ed Services		18,140	18,140	17,236	904
Total Other Support Services Students - Extraordinary Services	<u>-</u>	<u>18,140</u>	<u>18,140</u>	<u>17,236</u>	<u>904</u>
Other Support Services Students - Regular Services (Guidance):					
Salaries of Other Professional Staff	181,178		181,178	181,178	-
Supplies and Materials	530	(475)	55	55	-
Total Other Support Services Students - Regular Services (Guidance)	<u>181,708</u>	<u>39,525</u>	<u>221,233</u>	<u>181,233</u>	<u>40,000</u>
Other Support Services Students - Special Services (Child Study Teams):					
Salaries of Other Professional Staff	289,151		289,151	289,151	-
Supplies and Materials	3,970	777	4,747	4,542	205
Total Other Support Services Students - Special Services (Child Study Teams)	<u>293,321</u>	<u>577</u>	<u>293,898</u>	<u>293,693</u>	<u>205</u>
Improvement of Instruction Services:					
Salaries of Other Professional Staff	111,770	1,178	112,948	112,947	1
Other Purchased Services	400	200	600		600
Other Objects	1,100	(91)	1,009	1,009	-
Total Improvement of Instruction Services	<u>113,270</u>	<u>1,287</u>	<u>114,557</u>	<u>113,956</u>	<u>601</u>
Educational Media/Library:					
Supplies and Materials	7,700	5,300	13,000	5,409	7,591
Total Educational Media/Library	<u>7,700</u>	<u>5,300</u>	<u>13,000</u>	<u>5,409</u>	<u>7,591</u>
Instructional Staff Training Services:					
Other Purchased Services	4,000	2,879	6,879	6,758	121
Total Instructional Staff Training Services	<u>4,000</u>	<u>2,879</u>	<u>6,879</u>	<u>6,758</u>	<u>121</u>
Support Services General Administration:					
Salaries	215,726	(186)	215,540	215,528	12
Legal Fees	10,000	9,904	19,904	19,032	872
Audit Fees	23,000	26,925	49,925	24,711	25,214
Other Purchased Professional Fees	1,850	1,500	3,350	3,350	-
Purchased Technical Services	625		625	543	82
Communications/Telephone	14,000	3,149	17,149	16,524	625
BOE Other Purchased Services	3,000	550	3,550	1,165	2,385
Other Purchased Services	2,800	255	3,055	2,707	348
General Supplies	3,500	(750)	2,750	2,472	278
Miscellaneous Expenditures	9,500	(174)	9,326	9,326	-
Total Support Services General Administration	<u>284,001</u>	<u>41,173</u>	<u>325,174</u>	<u>295,358</u>	<u>29,816</u>
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	156,322	(297)	156,025	156,025	-
Salaries of Secretarial and Clerical Assistants	92,901	7,745	100,646	100,415	231
Other Purchased Services	4,050	(1,915)	2,135	1,386	749
Supplies and Materials	4,500	1,284	5,784	4,781	1,003
Other Objects	1,100		1,100	1,093	7
Total Support Services School Administration	<u>258,873</u>	<u>6,817</u>	<u>265,690</u>	<u>263,700</u>	<u>1,990</u>

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Central Services:					
Salaries	\$ 214,872	\$ (3,727)	\$ 211,145	\$ 211,145	\$ -
Purchased Professional Services	12,700	(1,000)	11,700	11,342	358
Purchased Technical Services	4,000	416	4,416	4,365	51
Supplies and Materials	13,210	545	13,755	13,711	44
Miscellaneous Expenditures	1,850	(95)	1,755	1,755	-
<b>Total Central Services</b>	<b>246,632</b>	<b>(3,861)</b>	<b>242,771</b>	<b>242,318</b>	<b>453</b>
Administrative Information Technology Services:					
Salaries	83,219	(202)	83,017	83,017	-
Other Purchased Services	1,000	(49)	951	951	-
<b>Total Administrative Information Technology Services</b>	<b>84,219</b>	<b>(251)</b>	<b>83,968</b>	<b>83,968</b>	<b>-</b>
Required Maintenance for School Facilities:					
Salaries	76,701	803	77,504	77,504	-
Cleaning, Repair and Maintenance Services	6,000	18,200	24,200	22,739	1,461
General Supplies	8,500	2,972	11,472	10,733	739
<b>Total Required Maintenance for School Facilities</b>	<b>91,201</b>	<b>21,975</b>	<b>113,176</b>	<b>110,976</b>	<b>2,200</b>
Custodial Services:					
Salaries	313,060	921	313,981	298,711	15,270
Cleaning, Repair and Maintenance Services	91,700	84,604	176,304	160,800	15,504
Insurance	142,858	6,217	149,075	149,075	-
Miscellaneous Purchased Services	1,250	-	1,250	-	1,250
General Supplies	41,700	8,076	49,776	40,771	9,005
Energy (Natural Gas)	132,000	20,019	152,019	140,104	11,915
Other Objects	1,800	-	1,800	794	1,006
<b>Total Custodial Services</b>	<b>724,368</b>	<b>119,837</b>	<b>844,205</b>	<b>790,255</b>	<b>53,950</b>
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	122,798	(33,382)	89,416	85,627	3,789
Salaries for Pupil Transportation (B/T Home & School) - Special Ed	-	15,925	15,925	15,925	-
Salaries for Pupil Transportation (Other Than B/T Home & School)	6,200	1,000	7,200	6,954	246
Management Fees - ESC Transportation Program	5,500	(320)	5,180	5,180	-
Cleaning, Repair and Maintenance Services	25,000	5,298	30,298	30,298	-
Contracted Services - Aid In Lieu of Payment for Non-public School Students	15,000	2,000	17,000	17,000	-
Contracted Services - Transportation (B/T Home & School) - Vendors	273,339	(13,592)	259,747	243,824	15,923
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	12,000	(4,000)	8,000	6,934	1,066
Contracted Services (B/T Home & School) - Joint Agreements	17,587	50,482	68,069	68,068	1
Contracted Services (Special Ed Students) - Vendors	9,000	(946)	8,054	6,429	1,625
Contracted Services (Special Ed Students) - Joint Agreements	53,387	(43,229)	10,158	10,158	-
Miscellaneous Purchased Services - Transportation	4,910	-	4,910	4,510	400
General Supplies	16,500	2,826	19,326	18,765	561
Other Objects (Transportation Supplies)	1,200	-	1,200	708	492
<b>Total Student Transportation Services</b>	<b>562,421</b>	<b>(17,938)</b>	<b>544,483</b>	<b>520,380</b>	<b>24,103</b>
Unallocated Employee Benefits:					
Group Insurance	-	-	-	-	-
Social Security Contribution	125,400	(7,647)	117,753	117,752	1
Other Retirement Contributions - PERS/DCRP	149,000	(1,677)	147,323	147,322	1
Workmen's Compensation	127,137	(12,151)	114,986	114,986	-
Health Benefits	1,758,563	(221,347)	1,537,216	1,466,769	70,447
Tuition Reimbursement	46,000	601	46,601	46,601	-
Other Employee Benefits	16,050	43,617	59,667	56,878	2,789
<b>Total Unallocated Employee Benefits</b>	<b>2,222,150</b>	<b>(198,604)</b>	<b>2,023,546</b>	<b>1,950,308</b>	<b>73,238</b>
Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	1,932,688	(1,932,688)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	397,770	(397,770)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)	-	-	-	451,554	(451,554)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)	-	-	-	900	(900)
<b>Total Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,782,912</b>	<b>(2,782,912)</b>
<b>Total Undistributed Expenditures</b>	<b>5,443,522</b>	<b>112,601</b>	<b>5,556,123</b>	<b>8,097,252</b>	<b>(2,541,129)</b>
<b>Total Expenditures - Current Expense</b>	<b>10,496,739</b>	<b>269,079</b>	<b>10,765,818</b>	<b>13,277,823</b>	<b>(2,512,005)</b>

(Continued from Prior Page)

Undistributed Expenditures:					
Instruction	-	125,076	125,076	19,168	105,908
<b>Total Undistributed Expenditures</b>	<b>-</b>	<b>125,076</b>	<b>125,076</b>	<b>19,168</b>	<b>105,908</b>

Facilities Acquisition and Construction Services:

Other Purchased Prof/Tech Services

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Construction Services		6,986	6,986	6,986	-
Other Objects	250		250	500	(250)
Total Facilities Acquisition and Construction Services	250	6,986	7,236	7,486	(250)
Total Capital Outlay	250	132,062	132,312	26,654	105,658
Charter Schools:					
Transfer of Funds to Charter Schools	124,223	(65,342)	58,881	38,259	(20,622)
Total Transfer of Funds to Charter Schools	124,223	(65,342)	58,881	38,259	(20,622)
Total Expenditures - General Fund	10,621,212	335,799	10,957,011	13,342,736	(2,426,969)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(148,000)	(335,799)	(483,799)	164,775	607,330
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(148,000)	(335,799)	(483,799)	164,775	607,330
FUND BALANCES, JULY 1	1,787,486	-	1,787,486	1,882,035	94,549
PRIOR PERIOD ADJUSTMENT	-	-	-	-	*
FUND BALANCES, JULY 1, RESTATED	1,787,486	-	1,787,486	1,882,035	94,549
FUND BALANCES, JUNE 30	\$ 1,639,486	\$ (335,799)	\$ 1,303,687	\$ 2,046,810	\$ 701,879
 (Continued from Prior Page)					
RECAPITULATION:					
Restricted For:					
Committed - Year-End Encumbrances				\$ 7,100	
Excess Surplus				135,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				150,000	
Capital Reserve Account				683,398	
Maintenance				204,534	
Unemployment Compensation				106,562	
Assigned Fund Balance:					
Year-End Encumbrances				170,257	
Unassigned Fund Balance				589,959	
				2,046,810	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				(124,595)	
Fund Balance Per Governmental Funds (GAAP)				\$ 1,922,215	

\* Include interest earnings on the unemployment compensation bank account

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Special Revenue Fund  
Budgetary Comparison Schedule  
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Federal Sources	\$ 444,441	\$ 429,137	\$ 873,578	\$ 538,350	\$ (335,228)
State Sources	26,054		26,054	12,450	(13,604)
Local Sources	32,962	1,500	34,462	52,650	18,188
<b>Total Revenues</b>	<b>503,457</b>	<b>430,637</b>	<b>934,094</b>	<b>603,450</b>	<b>(330,644)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	66,000	135,198	201,198	66,991	134,207
Other Purchased Services	70,356		70,356	70,356	-
General Supplies	24,702	31,500	56,202	33,119	23,083
Textbooks	1,000		1,000	1,000	-
<b>Total Instruction</b>	<b>162,058</b>	<b>166,698</b>	<b>328,756</b>	<b>171,466</b>	<b>157,290</b>
Support Services:					
Salaries of Supervisors of Instruction	77,776	23,261	101,037	93,765	7,272
Personal Services - Employee Benefits	10,907	12,299	23,206	11,279	11,927
Purchased Prof/Ed Services	150,129	226,087	376,216	255,352	120,864
Other Purchased Professional Services	12,131	80	12,211	7,004	5,207
Supplies and Materials	22,402	2,212	24,614	9,270	15,344
Miscellaneous Expenditures			-	36,491	(36,491)
<b>Total Support Services</b>	<b>273,345</b>	<b>263,939</b>	<b>537,284</b>	<b>413,161</b>	<b>124,123</b>
Capital Outlay:					
Buildings	68,054		68,054	19,970	48,084
<b>Total Capital Outlay</b>	<b>68,054</b>	<b>-</b>	<b>68,054</b>	<b>19,970</b>	<b>48,084</b>
<b>Total Expenditures</b>	<b>503,457</b>	<b>430,637</b>	<b>934,094</b>	<b>604,597</b>	<b>329,497</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,147)</b>	<b>\$ 1,147</b>



***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Budgetary Comparison Schedule  
 Budget-To-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2022

Note A - Explanation of differences between Budgetary Inflows and GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
<b>Sources/Inflows of Resources</b>				
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	<b>[C-1]</b>	\$ 13,507,511	<b>[C-2]</b>	603,450
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				(13,604)
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	<b>[B-2]</b>	\$ 13,507,511	<b>[B-2]</b>	\$ 589,846
 <b>Uses/Outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1]</b>	\$ 13,342,736	<b>[C-2]</b>	604,597
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.				(13,604)
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	\$ 13,342,736	<b>[B-2]</b>	\$ 590,993

***REQUIRED SUPPLEMENTARY INFORMATION – PART III***

***SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
PENSIONS (GASB 68)***

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.01324000%	0.01245000%	0.01305000%	0.013430000%	0.013130000%	0.013230000%	0.013170000%	0.012310000%	0.011761429%
District's proportionate share of the net pension liability	\$ 2,532,109	\$ 2,332,252	\$ 2,930,795	\$ 3,978,908	\$ 3,058,077	\$ 2,605,619	\$ 2,372,491	\$ 2,007,570	\$ 1,393,318
District's covered payroll (plan measurement period)	\$ 862,543	\$ 892,515	\$ 918,471	\$ 977,591	\$ 922,575	\$ 945,432	\$ 911,218	\$ 887,750	\$ 912,004
District's proportionate share of the net pension liability as a percentage of it's covered payroll	294%	261%	319%	407%	331%	276%	260%	226%	153%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	52.08%	40.14%	48.10%	53.59%	56.57%	58.32%	51.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST NINE FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 99,827	\$ 102,692	\$ 112,246	\$ 119,350	121,700	131,631	128,077	134,674	137,740
Contributions in relation to the contractually required contribution	(99,827)	(102,692)	(112,246)	(119,350)	(121,700)	(131,631)	(128,077)	(134,674)	(137,740)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll (fiscal year)	\$ 862,543	\$ 892,515	\$ 918,471	\$ 977,591	\$ 1,674,096	\$ 2,253,837	\$ 911,218	\$ 887,750	\$ 912,004
Contributions as a percentage of covered payroll	11.57%	11.51%	12.22%	12.21%	7.27%	5.84%	14.06%	15.17%	15.10%

FRANKFORD TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER'S PENSION AND ANNUITY FUND  
 LAST NINE FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable of the Charter School	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.04832442%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 28,073,544	\$ 29,418,262	\$ 32,262,628	\$ 39,262,628	\$ 35,587,194	\$ 31,922,926	\$ 29,703,402	\$ 31,612,381	\$ 23,232,055
District's covered payroll (plan measurement period)	\$ 5,209,726	\$ 5,096,953	\$ 5,240,681	\$ 5,075,721	\$ 5,137,801	\$ 5,168,223	\$ 5,101,315	\$ 5,195,009	\$ 5,788,679
District's proportionate share of the net pension liability as a percentage of it's covered payroll	538.87%	577.17%	615.62%	773.54%	692.65%	617.68%	582.27%	608.51%	401.34%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.74%	22.33%	25.41%	26.48%	26.95%	24.60%	51.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

***SCHEDULE M - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***



**Frankford Township Board of Education**  
**Required Supplementary Information Schedules**  
**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**  
**Last Five Fiscal Years**  
**(Unaudited)**

	Measurement Date Ending				
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
<u>Total Non-Employer OPEB Liability- States's Proportionate Share of the Total OPEB Liability Associated with the District</u>					
OPEB Liability at Beginning of Measurement Period	\$ 34,251,713	\$ 31,568,544	\$ 26,432,782	\$ 23,133,698	\$ 37,937,567
Service cost	1,005,870	855,531	750,110	803,528	1,449,295
Interest on Total OPEB Liability	1,006,519	1,148,675	1,038,771	826,692	854,315
Effect on Changes of Benefit Terms					(35,053)
Difference between expected and actual experience		(3,424,299)	(4,743,804)	6,884,202	(6,654,566)
Effect of Changes of Assumptions	(4,170,661)	(3,033,294)	344,925	6,929,890	32,491
Contributions - Employee	(544,964)	(706,803)	(710,136)	(660,462)	21,841
Gross Benefits Paid by the State	20,067	24,428	21,050	20,019	(672,961)
	<u>(2,683,169)</u>	<u>(5,135,762)</u>	<u>(3,299,084)</u>	<u>14,803,869</u>	<u>(5,004,638)</u>
Net Change in Total OPEB Liability					
OPEB Liability at Beginning of Measurement Period	34,251,713	31,568,544	26,432,782	23,133,698	37,937,567
Total OPEB Liability at End of Measurement Period	<u>\$ 31,568,544</u>	<u>\$ 26,432,782</u>	<u>\$ 23,133,698</u>	<u>\$ 37,937,567</u>	<u>\$ 32,932,929</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Notes to Schedule:**

*Changes in benefit terms:* The \$63,870,842 decrease in liability from June 20,2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

*Differences Between Expected and Actual Experiences:* The \$11,385,071,658 decrease in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census claims

Update in census information	\$ (591,982,074)
Premium and Claims Experience	<u>(10,793,089,584)</u>
Total	\$ (11,385,071,658)

*Changes in Assumptions:*

The \$59,202,105 increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of the following:

Trend Update	\$ 141,651,103
Mortality Projection Scale Update	270,835,004
Discount Rate Change	536,297,378
Salary Scale	<u>(889,581,380)</u>
Total Changes in Assumption	\$ 59,202,105

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate remained unchanged at 7.00% as of June 30, 2020 and as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**TEACHER'S PENSION AND ANNUITY FUND**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate changed from 5.60% as of June 30, 2020 to 7.00% as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

***OTHER SUPPLEMENTARY INFORMATION***

**SECTION E – SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

*Special revenue funds are used to account for the proceeds of specific revenue sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.*

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2022

	Title I	REAP Grant	Title I Carryover	Title II Part A	CRSSA ESSER II	ESSER Learning Accel	ESSER Mnt Hlth	ARP ESSER III	I.D.E.A. Basic ARP	ESSER III Accelerated Learning	I.D.E.A. Pre School	IDEA Part B	School Security Grant	Local Grants	Student Activity / Athletics Fund	Total
Revenues:																
Federal Sources	\$ 47,114	\$ 27,845	\$ 1,586	\$ 16,237	\$ 52,733	\$ 25,000	\$ 45,000	\$ 142,062	\$ 23,177	\$ 7,080	\$ 6,971	\$ 143,545	\$ 26,054	\$ -	\$ -	\$ 538,350
State Sources														17,306		26,054
Local Sources																52,650
<b>Total Revenues</b>	<b>\$ 47,114</b>	<b>\$ 27,845</b>	<b>\$ 1,586</b>	<b>\$ 16,237</b>	<b>\$ 52,733</b>	<b>\$ 25,000</b>	<b>\$ 45,000</b>	<b>\$ 142,062</b>	<b>\$ 23,177</b>	<b>\$ 7,080</b>	<b>\$ 6,971</b>	<b>\$ 143,545</b>	<b>\$ 26,054</b>	<b>\$ 17,306</b>	<b>\$ 35,344</b>	<b>\$ 617,054</b>
Expenditures:																
Instruction:																
Salaries of Teachers	\$ 13,871	\$ -	\$ -	\$ -	\$ 42,000	\$ -	\$ -	\$ 11,120	\$ 21,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,991
Other Purchased Services	6,207	9,261						15,656			495	48,000		1,500		70,356
General Supplies												1,000				33,119
Textbooks																1,000
<b>Total Instruction</b>	<b>20,078</b>	<b>9,261</b>	<b>-</b>	<b>-</b>	<b>42,000</b>	<b>-</b>	<b>-</b>	<b>26,776</b>	<b>21,356</b>	<b>-</b>	<b>495</b>	<b>50,000</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>171,466</b>
Support Services:																
Salaries of Supervisors of Instruction	24,129	16,199	1,441	4,800	23,223						3,196	16,080		4,697		93,765
Personal Services/Employee Benefits	2,907	1,092	145	367	1,777						245	1,230		303		11,279
Purchased Profited Services				11,070			45,000	115,286	1,821	7,080	2,195	72,900				255,352
Other Purchased Services		1,293												5,711		7,004
Supplies and Materials											840	3,335		5,095		9,270
Student Activities															36,491	36,491
<b>Total Support Services</b>	<b>27,036</b>	<b>18,584</b>	<b>1,586</b>	<b>16,237</b>	<b>25,000</b>	<b>25,000</b>	<b>45,000</b>	<b>115,286</b>	<b>1,821</b>	<b>7,080</b>	<b>6,476</b>	<b>93,545</b>	<b>-</b>	<b>15,806</b>	<b>36,491</b>	<b>413,161</b>
Facilities Acquisition and Construction Services:																
Buildings					7,520								26,054			33,574
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,054</b>	<b>-</b>	<b>-</b>	<b>33,574</b>
<b>Total Expenditures</b>	<b>47,114</b>	<b>27,845</b>	<b>1,586</b>	<b>16,237</b>	<b>52,733</b>	<b>25,000</b>	<b>45,000</b>	<b>142,062</b>	<b>23,177</b>	<b>7,080</b>	<b>6,971</b>	<b>143,545</b>	<b>26,054</b>	<b>17,306</b>	<b>36,491</b>	<b>618,201</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,147)	\$ (1,147)

**SECTION G – PROPRIETARY FUNDS  
DETAIL STATEMENTS**

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

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

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



***SECTION H – FIDUCIARY FUNDS  
DETAIL STATEMENT  
(NOT APPLICABLE)***

## ***SECTION I – LONG-TERM DEBT SCHEDULES***

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
			Date	Amount					
School Bonds	3/15/2019	\$ 1,460,000	3/15/2023	\$ 140,000	2.000%				
			3/15/2024-2025	145,000	2.000%				
			3/15/2026	150,000	2.000%				
			3/15/2027	155,000	2.250%				
			3/15/2028	160,000	2.500%				
			3/15/2029	160,000	3.000%	\$ -	\$ -	\$ 135,000	\$ (135,000)
						\$ -	\$ -	\$ 135,000	\$ (135,000)

**FRANKFORD TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 549,747	-	\$ 549,747	\$ 106,648	\$ (443,099)
<b>Total Revenues</b>	<u>549,747</u>	<u>-</u>	<u>549,747</u>	<u>161,588</u>	<u>(388,159)</u>
<b>EXPENDITURES:</b>					
Debt Service - Regular:					
Interest	57,747		57,747	26,588	31,159
Redemption of Principal	533,000		533,000	135,000	398,000
<b>Total Expenditures</b>	<u>590,747</u>	<u>-</u>	<u>590,747</u>	<u>161,588</u>	<u>429,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,000)	-	(41,000)	-	41,000
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fu	41,000		41,000		41,000
<b>Total Other Financing Sources (Uses)</b>	<u>41,000</u>	<u>-</u>	<u>41,000</u>	<u>-</u>	<u>41,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	-	-	-	82,000
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>\$ 82,000</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>\$ 82,000</u>

**STATISTICAL SECTION  
(UNAUDITED)**

***Frankford Township Board of Education has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented.***

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

**Revenue Capacity (Not Applicable To District)**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the district provides and the activities it performs.

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

***FINANCIAL TRENDS***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities									(Restated)	
Net Investment in Capital Assets	\$ 4,948,629	\$ 4,126,421	\$ 3,885,244	\$ 2,784,764	\$ 3,655,266	\$ 3,167,318	\$ 2,244,763	\$ 1,810,762	\$ 1,761,254	\$ 1,626,984
Restricted	1,332,941	685,839	563,738	1,478,455	406,802	657,179	954,980	865,648	627,392	486,258
Unrestricted	(3,429,544)	(2,536,546)	(2,504,492)	(2,839,669)	(2,824,204)	(2,649,351)	(2,431,600)	(2,308,280)	(2,340,633)	206,684
<b>Total Governmental Activities Net Assets/ Position</b>	<b>\$ 2,852,026</b>	<b>\$ 2,275,714</b>	<b>\$ 1,944,490</b>	<b>\$ 1,423,550</b>	<b>\$ 1,237,864</b>	<b>\$ 1,175,146</b>	<b>\$ 768,143</b>	<b>\$ 368,130</b>	<b>\$ 48,013</b>	<b>\$ 2,319,926</b>
Business-Type Activities										
Net Investment in Capital Assets/	\$ 16,921	\$ 16,921	\$ 19,483	\$ 1,873	\$ 9,067	\$ -	\$ -	\$ -	\$ -	\$ -
Invested in capital assets, net of related debt	60,072	19,679	(23,069)	32,013	25,336	33,286	27,838	19,705	25,189	26,505
Unrestricted										
<b>Total Business-Type Activities Net Assets/Position</b>	<b>\$ 76,993</b>	<b>\$ 36,600</b>	<b>\$ (3,586)</b>	<b>\$ 33,886</b>	<b>\$ 34,403</b>	<b>\$ 33,286</b>	<b>\$ 27,838</b>	<b>\$ 19,705</b>	<b>\$ 25,189</b>	<b>\$ 26,505</b>
District-Wide										
Net Investment in Capital Assets/	\$ 4,965,550	\$ 4,143,342	\$ 3,904,727	\$ 2,786,637	\$ 3,664,333	\$ 3,167,318	\$ 2,244,763	\$ 1,810,762	\$ 1,761,254	\$ 1,626,984
Invested in capital assets, net of related debt	1,332,941	685,839	563,738	1,478,455	406,802	657,179	954,980	865,648	627,392	486,258
Restricted	(3,369,472)	(2,516,867)	(2,527,561)	(2,807,656)	(2,798,868)	(2,616,065)	(2,403,762)	(2,288,575)	(2,315,444)	233,189
Unrestricted										
<b>Total District Net Position</b>	<b>\$ 2,929,019</b>	<b>\$ 2,312,314</b>	<b>\$ 1,940,904</b>	<b>\$ 1,457,436</b>	<b>\$ 1,272,267</b>	<b>\$ 1,208,432</b>	<b>\$ 795,981</b>	<b>\$ 387,835</b>	<b>\$ 73,202</b>	<b>\$ 2,346,431</b>

**Source: District's Financial Records**



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**

Changes in Net Position  
Last Full Fiscal Years  
(Accounting Basis - Modified  
Accrual Basis Accounting)  
Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$ 3,798,195	\$ 6,403,624	\$ 5,857,514	\$ 6,925,045	\$ 7,171,133	\$ 6,885,550	\$ 6,293,203	\$ 6,230,212	\$ 4,850,412	\$ 5,102,236
Special Education	1,132,123	2,073,939	1,749,916	2,024,438	2,357,013	2,072,288	1,983,986	2,188,639	1,779,876	2,002,307
Other instruction	346,759	617,276	616,821	637,549	705,760	646,682	603,523	422,503	553,783	413,861
School Sponsored Activities and Athletics	96,576	78,203	130,901	128,172	147,888	153,983	137,138	112,344	87,743	104,678
Support Services:										
Students and instructors related services	1,367,626	1,573,200	1,259,771	1,300,380	1,423,622	1,337,019	1,212,985	1,124,357	1,254,935	1,223,638
General Administration Services	1,616,110	440,669	460,910	464,917	480,910	504,348	495,033	400,845	372,713	337,213
School Administration Services	4,337,032	4,503,929	4,570,374	4,570,374	4,570,374	4,570,374	4,570,374	4,570,374	4,570,374	4,570,374
Plant operations and maintenance	920,282	1,118,647	1,386,030	1,227,677	1,265,414	1,148,311	1,275,287	1,080,322	1,135,930	990,943
Capital Outlay	520,380	560,984	526,448	622,987	655,073	525,744	545,735	515,751	552,538	590,363
Interest on long-term debt	30,777	20,773	78,962	25,139	28,145	25,324	26,292	30,999	38,682	44,811
Unallocated Depreciation	347,428	347,428	347,428	347,428	347,428	347,428	347,428	347,428	347,428	347,428
Total Governmental Activities Expenses	15,111,785	13,849,289	12,914,384	13,750,776	15,250,939	14,268,323	13,459,507	13,007,144	11,457,781	11,528,923
<b>Business-Type Activities:</b>										
Food Service	185,346	59,463	132,285	171,325	169,984	162,274	158,703	155,152	148,642	145,552
Summer Enrichment	15,635	3,612	22,987	21,057	27,759	23,307	12,690	13,088	15,531	15,304
Preschool Program	20,000	-	19,250	23,806	14,689	24,825	30,407	28,144	35,795	25,901
Total Business-Type Activities Expenses	220,981	63,075	174,522	216,188	212,412	210,406	201,800	196,384	200,968	186,757
Total District Expenses	\$ 15,332,769	\$ 13,912,364	\$ 13,088,906	\$ 13,966,964	\$ 15,463,351	\$ 14,478,729	\$ 13,661,307	\$ 13,203,528	\$ 11,658,749	\$ 11,715,680
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ 35,344	\$ 12,841	\$ 3,452,911	\$ 4,191,834	\$ 6,428,935	\$ 4,762,663	\$ 3,740,474	\$ 3,338,360	\$ 1,893,405	\$ 2,020,174
Capital Grants and Contributions	1,159,986	4,284,714	-	-	-	6,270	160,281	6,603	27,238	-
Total Governmental Activities Program Revenues	1,194,340	4,297,555	3,452,911	4,191,834	6,428,935	4,768,933	3,900,755	3,344,963	1,920,643	2,020,174
<b>Business-Type Activities:</b>										
Charges for Services	221,782	1,628	74,148	115,832	118,970	114,888	109,885	94,086	101,423	89,522
Food Services	18,723	4,823	18,723	18,723	18,723	18,723	18,723	18,723	18,723	18,723
Summer Enrichment	362,150	19,250	23,500	14,613	16,495	33,950	22,307	22,307	22,715	26,750
Preschool Program	20,100	32,628	34,658	47,590	56,238	53,191	52,549	52,549	53,031	39,393
Operating Grants and Contributions	362,150	777,461	488,768	211,591	213,230	215,728	209,854	180,846	187,079	181,055
Capital Grants and Contributions	261,105	5,074,916	3,941,679	4,403,425	5,642,165	4,894,661	4,110,589	3,525,809	2,107,722	2,201,229
Total District Program Revenues	1,455,445	5,074,916	3,941,679	4,403,425	5,642,165	4,894,661	4,110,589	3,525,809	2,107,722	2,201,229
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (13,917,448)	\$ (9,551,934)	\$ (9,461,473)	\$ (9,558,942)	\$ (8,821,974)	\$ (9,499,390)	\$ (9,557,772)	\$ (9,602,161)	\$ (9,537,138)	\$ (9,508,749)
Business-Type Activities	220,981	63,075	174,522	216,188	212,412	210,406	201,800	196,384	200,968	186,757
Total District Wide Net Expense	\$ (13,696,467)	\$ (9,488,859)	\$ (9,286,951)	\$ (9,342,754)	\$ (8,609,562)	\$ (9,288,984)	\$ (9,356,972)	\$ (9,405,777)	\$ (9,336,170)	\$ (9,321,992)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 9,213,940	\$ 8,883,889	\$ 8,625,259	\$ 8,373,947	\$ 8,388,639	\$ 8,427,683	\$ 8,498,908	\$ 8,501,764	\$ 8,339,428	\$ 8,178,510
Taxes Levied for Debt Service	161,588	97,206	100,477	78,303	103,323	85,973	58,218	85,292	68,327	77,488
State Aid - Levied for Debt Service	-	-	-	7,313	-	-	-	-	-	-
State Aid - Levied for Debt Service	-	-	-	-	-	-	-	-	-	-
Federal and State Aid Unrestricted	5,289,315	935,715	1,035,935	1,188,837	1,324,872	1,352,235	1,358,489	1,355,507	1,343,148	1,341,900
Miscellaneous Income	30,048	1,161	28,934	40,246	28,801	27,892	35,124	43,893	53,877	32,005
Transfers	5,381	4,287	36,533	58,182	59,057	15,000	9,942	9,942	4,034	3,394
Donated Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	14,670,272	9,883,158	9,824,838	9,744,628	9,884,892	9,906,393	9,957,795	9,952,298	9,797,334	9,614,427
<b>Business-Type Activities:</b>										
Investment Earnings	269	100	338	780	299	126	79	64	73	88
Miscellaneous	269	50,000	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Total Business-Type Activities	538	50,100	3,638	4,080	299	126	79	10,084	12,573	9,986
Total District Wide	\$ 14,670,541	\$ 9,933,258	\$ 9,828,476	\$ 9,748,708	\$ 9,884,991	\$ 9,906,519	\$ 9,957,874	\$ 9,962,382	\$ 9,809,907	\$ 9,624,413
<b>Change in Net Position</b>										
Governmental Activities	\$ 752,824	\$ 331,224	\$ 363,385	\$ 185,686	\$ 62,718	\$ 407,003	\$ 400,013	\$ 320,117	\$ 280,196	\$ 105,678
Business-Type Activities	40,393	764,486	317,904	5,177	5,448	8,133	8,133	(5,464)	(1,316)	3,386
Total District	\$ 793,217	\$ 1,095,710	\$ 681,289	\$ 190,863	\$ 68,166	\$ 415,136	\$ 408,146	\$ 314,653	\$ 278,880	\$ 109,064

Source: District's Financial Records

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**

Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable										
Restricted										
Committed	\$ 1,279,494	\$ 927,481	\$ 820,103	\$ 1,683,442	\$ 2,186,058	\$ 2,019,680	\$ 1,464,506	\$ 1,020,617	\$ 938,045	\$ 918,039
Assigned	177,357	204,175	96,591	75,531	15,882	78,915	45,299	28,577	26,735	-
Unassigned	465,364	278,679	79,827	63,983	64,754	56,246	59,022	59,140	60,771	68,673
Total General Fund	\$ 1,922,215	\$ 1,448,335	\$ 1,502,879	\$ 2,125,622	\$ 2,293,094	\$ 2,154,841	\$ 1,568,827	\$ 1,108,334	\$ 1,025,551	\$ 1,039,590
All Other Governmental Funds										
Restricted	57,210	58,358	43,635	195,013	(1,163,522)	(812,501)	40,474	395,031	239,347	38,219
Total All Other Governmental Funds	\$ 57,210	\$ 58,358	\$ 43,635	\$ 195,013	\$ (1,163,522)	\$ (812,501)	\$ 40,474	\$ 395,031	\$ 239,347	\$ 38,219

Source: District's Financial Records

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 Changes in Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues:</b>										
Tax Levies	\$ 9,320,588	\$ 8,991,095	\$ 8,725,736	\$ 8,452,250	\$ 8,491,962	\$ 8,510,666	\$ 8,555,126	\$ 8,587,066	\$ 8,408,755	\$ 8,255,978
Interest Earnings	5,381	4,587	36,533	59,282	39,057	15,600	6,127	5,842	4,054	3,544
Miscellaneous	48,086	90,340	64,905	55,031	43,414	48,532	82,145	44,519	54,060	32,005
Local Sources	17,306									
State Sources	4,651,943	4,143,692	3,800,773	3,887,463	3,690,687	3,491,172	3,396,963	3,122,242	3,058,281	3,136,952
Federal Sources	538,350	330,943	259,080	215,127	253,750	253,004	236,349	271,556	205,327	225,122
Total Revenues	14,581,654	13,560,857	12,887,022	12,669,153	12,518,870	12,319,974	12,278,710	12,031,215	11,730,477	11,653,601
<b>Expenditures:</b>										
Instruction	3,776,579	5,959,435	5,588,984	5,517,506	5,458,808	5,322,283	5,231,943	5,351,788	4,916,839	5,090,542
Regular Instruction	1,478,882	1,941,414	1,703,730	1,819,283	1,840,261	1,641,141	1,719,067	1,887,122	1,788,156	1,997,813
Special Education Instruction	96,576	76,115	93,852	90,460	93,589	483,223	503,790	423,315	544,944	410,281
Other Instruction										
School Sponsored Activities and Athletics						115,384	117,550	96,741	87,743	104,678
Support Services:										
Student & Inst.-Related Services	1,357,587	1,482,222	1,307,916	1,233,167	1,243,275	1,213,271	1,161,585	1,203,755	1,236,368	1,201,380
General Administration	621,644	411,129	400,450	421,218	371,049	404,275	386,512	346,956	372,765	337,213
School Administration Services	414,610	412,694	383,409	373,764	356,189	336,332	336,748	320,749	310,006	340,449
Business/General Services	4,733,220	439,715	407,327	504,917	471,462	436,648	420,636	404,093	386,034	360,283
Plant Operations and Maintenance	901,231	1,077,387	1,001,565	965,151	900,078	889,026	1,055,556	906,236	954,403	793,102
Pupil Transportation	520,380	531,134	515,164	596,739	606,189	490,362	530,109	504,881	508,196	538,903
Capital Outlay	46,624	490,167	796,332	939,555	650,391	1,223,004	530,258	189,116	234,268	579,473
Debt Service:										
Principal	135,000	196,243	849,082	252,637	173,110	163,612	172,022	149,299	188,600	174,075
Interest and Other Charges	26,588	31,107	83,033	24,127	23,785	24,594	25,048	31,697	42,946	51,437
Total Expenditures	14,108,921	13,550,478	13,815,423	13,252,967	12,740,520	12,719,319	12,170,774	11,817,748	11,530,888	11,979,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 472,733	\$ 10,379	\$ (928,396)	\$ (583,814)	\$ (221,650)	\$ (460,345)	\$ 105,936	\$ 213,467	\$ 199,589	\$ (326,046)
<b>Other Financing Sources (uses)</b>										
Proceeds from Borrowing	-	-	-	1,460,000	8,882	-	-	-	-	-
Premium from Notes	-	-	-	318,177	208,862	193,384	-	35,000	-	119,597
Capital Leases (Non-budgeted)	-	-	157,225	-	40,474	-	-	165,889	280,524	-
Transfers In	(60,000)	(60,000)	(161,025)	(3,300)	(208,862)	(40,474)	-	(175,589)	(283,024)	(19,000)
Transfers Out	(50,000)	(50,000)	(3,300)	1,774,877	8,882	193,384	-	25,000	(12,500)	100,597
Total Other Financing Sources (uses)	\$ 472,733	\$ (39,821)	\$ (931,696)	\$ 1,191,063	\$ (212,768)	\$ (266,961)	\$ 105,936	\$ 238,467	\$ 187,089	\$ (225,451)
Net Change in Fund Balances	1,155%	1,74%	7.16%	2.25%	1.63%	1.63%	1.72%	1.56%	1.87%	1.98%
Debt Service As A Percentage of Noncapital Expenditures										

**Source: District's Financial Records**

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

*(modified accrual basis of accounting)*

Unaudited

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2022	\$ 5,381	\$ 12,742	\$ 18,123
2021	4,587	90,340	94,927
2020	36,533	29,884	66,417
2019	59,282	40,204	99,486
2018	39,057	28,801	67,858
2017	15,600	27,892	43,492
2016	6,127	35,734	41,861
2015	5,842	43,893	49,735
2014	4,054	53,877	57,931
2013	3,544	32,005	35,549

**Source: District records**

*REVENUE CAPACITY*

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ctarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2022	\$ 14,992,600	\$ 587,815,000	\$ 67,841,500	\$ 2,812,100	\$ 59,762,200	\$ 5,529,600	\$ 859,800	\$ 739,612,800		\$ 739,612,800	\$ 851,418,105	1.108
2021	14,932,800	586,217,400	68,579,400	3,371,100	59,662,900	5,529,600	859,800	739,153,000		739,153,000	808,345,192	1.081
2020	15,225,500	582,157,000	68,205,700	3,131,900	59,415,000	5,529,600	859,800	734,524,500		734,524,500	810,178,789	1.022
2019	16,548,600	581,811,500	66,688,700	3,085,300	59,727,200	5,529,600	859,800	734,250,700		734,250,700	817,998,506	1.001
2018	16,805,100	580,099,600	66,492,300	3,098,200	58,405,700	5,529,600	859,800	731,290,300		731,290,300	796,082,118	0.984
2017	16,848,200	578,350,100	67,073,900	3,003,600	59,117,800	5,529,600	859,800	730,783,000		730,783,000	807,870,623	1.013
2016	16,952,900	577,131,100	66,649,100	3,008,700	59,222,500	5,529,600	841,700	729,335,600	2,049,219	731,384,819	824,978,449	1.024
2015	17,180,700	570,042,100	71,069,100	3,065,400	59,064,500	5,529,600	841,700	726,793,100	1,183,338	727,976,438	825,685,795	1.008
2014	17,333,200	565,628,300	69,949,600	3,999,800	59,828,300	5,529,600	880,200	723,049,000	1,811,215	724,860,215	845,128,593	1.000
2013	(A) 18,976,800	559,837,200	72,998,200	3,249,500	60,275,700	5,529,600	880,200	721,747,200	2,033,198	723,780,398	792,810,574	1.221

Sources: County Abstract of Ratables

(A) The Township undertook a reassessment of real property which became effective in the year 2013.

a Tax rates are per \$100

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(rate per \$100 of assessed value)*

Overlapping Rates						
Year Ended June 30,		Total Direct School Tax Rate	Regional School District	Municipality	County	Total Direct and Overlapping Tax Rate
2022	(B)	1.108	0.661	0.005	1.041	2.815
2021	(B)	1.081	0.619	0.388	0.642	2.730
2020	(B)	1.022	0.601	0.383	0.646	2.652
2019	(B)	1.001	0.545	0.384	0.647	2.577
2018	(B)	0.984	0.566	0.369	0.634	2.553
2017	(B)	1.013	0.559	0.340	0.632	2.544
2016	(B)	1.024	0.598	0.366	0.588	2.576
2015	(B)	1.008	0.649	0.350	0.556	2.563
2014		1.000	0.700	0.370	0.550	2.620
2013	(A)	0.980	0.710	0.350	0.490	2.530

(A) The Township undertook a reassessment of real property which became effective in the year 2013. valuation taxable.

(B) The Frankford direct school tax rate has been included on the County of Sussex Abstract of Ratables with the High School Regional School District tax rate due to the merger with with Frankford School District and the Branchville School District. The direct school tax rate was calculated by dividing the calendar year tax levy of the District by the calendar year assessed valuation.

**Source: County Abstract of Ratables**

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022		2012	
	Taxable Assessed	% of Total District Net	Taxable Assessed	% of Total District Net
	Value	Assessed Value	Value	Assessed Value
129 Morris Turnpike Realty, LLC	\$ 6,500,000	0.88%		
Sussex County Farm & Horse Show	2,793,000	0.38%	\$ 3,969,400	0.42%
Visions Federal Credit Union	2,419,600	0.33%		
Branchville Manor	2,362,900	0.32%	3,932,800	0.42%
Corn Patch Realty, LLC	2,100,000	0.28%		
Individual	1,987,500	0.27%	2,779,500	0.30%
Skylands Stadium, LLC	1,600,000	0.22%		
Individual	1,579,300	0.21%		
One to One LLC	1,352,400	0.18%		
Kymers Campground, Inc.	1,346,900	0.18%		
Skylands Park Management, Inc.			6,735,200	0.72%
Toll NJ IV, LP			3,612,100	0.38%
Individual			2,955,600	0.31%
United Telephone			2,831,197	0.30%
Tri-Co Federal Credit Union			2,721,200	0.29%
Hutan Corp			2,394,800	0.25%
Clemrose Properties, Inc.			2,115,200	0.22%
Total	\$ 24,041,600	3.25%	\$ 34,046,997	3.61%

**Source:** Municipal Tax Assessor



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**UNAUDITED**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2022	\$ 9,503,438	\$ 9,503,438	100.00%	N/A
2021	8,991,095	8,991,095	100.00%	N/A
2020	8,725,736	8,725,736	100.00%	N/A
2019	8,452,250	8,452,250	100.00%	N/A
2018	8,491,962	8,378,212	98.66%	N/A
2017	8,510,666	8,510,624	100.00%	\$ 42
2016	8,555,126	8,555,126	100.00%	113,750
2015	8,587,056	8,587,056	100.00%	N/A
2014	8,408,755	8,408,755	100.00%	N/A
2013	8,255,978	8,255,978	100.00%	N/A

***DEBT CAPACITY***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANS)		Business-Type Activities		Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases	Capital Leases	Capital Leases					
2022	\$ 1,055,000	\$ -	\$ -	\$ -	\$ -	-	-	-	1,055,000	5,274	\$ 200
2021	1,190,000	-	-	-	-	-	-	-	1,190,000	5,274	226
2020	1,370,000	-	16,243	-	-	-	-	-	1,386,243	5,274	263
2019	1,460,000	-	775,325	-	-	-	-	-	2,235,325	5,311	421
2018	85,000	-	624,785	\$ 1,463,216	-	-	-	-	2,173,001	5,325	408
2017	165,000	-	717,895	1,463,216	-	-	-	-	2,346,111	5,345	439
2016	245,000	-	608,123	-	-	-	-	-	853,123	5,361	159
2015	325,000	-	700,145	-	-	-	-	-	1,025,145	5,392	190
2014	405,000	-	734,444	-	-	-	-	-	1,139,444	5,443	209
2013	480,000	-	828,044	-	-	-	-	-	1,308,044	5,464	239

\* Estimates

Source: District Records

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Obligation Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding		
2022	\$ 1,055,000	\$ 1	\$ 1,054,999	N/A	N/A
2021	1,190,000	1	1,189,999	0.16%	226
2020	1,370,000	42	1,369,958	0.19%	260
2019	1,460,000	21,553	1,438,447	0.20%	271
2018	85,000	21,511	63,489	0.01%	12
2017	165,000	1	164,999	0.02%	31
2016	245,000	-	245,000	0.03%	46
2015	325,000	25,915	299,085	0.04%	55
2014	405,000	-	405,000	0.06%	74
2013	480,000	-	480,000	0.07%	88

**Source: District Records**

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2021**

	Gross Debt	Deduction	Net Debt
MUNICIPAL DEBT: (1)			
Frankford Township Board of Education	\$ 1,190,000	\$ 1,190,000	\$ -
Township of Frankford	660,990	-	660,990
	\$ 1,850,990	\$ 1,190,000	660,990
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY:			
Sussex County:			
County of Sussex (A)			-
			N/A
Total Direct and Overlapping Debt			N/A

Source:

(1) Township of Frankford's 2021 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Frankford by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Sussex County.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis	
2021	\$ 848,430,900
2020	800,746,212
2019	807,223,725
	<u>\$ 2,456,400,837</u>
Average Equalized Valuation of Taxable Property	\$ 818,800,279
Debt Limit (3% of Average Equalization Value)	24,564,008
Total Net Debt Applicable To Limit	1,190,000
Legal Debt Margin	<u>\$ 23,374,008</u>

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 23,374,008	\$ 24,121,816	\$ 24,085,449	\$ 24,138,075	\$ 24,374,864	\$ 24,730,427	\$ 25,040,933	\$ 25,536,625	\$ 25,966,172
Total Net Debt Applicable to Limit	1,190,000	1,370,000	1,463,216	1,548,216	1,628,216	245,000	325,000	405,000	628,800
Legal Debt Margin	<u>\$ 22,184,008</u>	<u>\$ 22,751,816</u>	<u>\$ 22,622,233</u>	<u>\$ 22,589,859</u>	<u>\$ 22,746,648</u>	<u>\$ 24,485,427</u>	<u>\$ 24,715,933</u>	<u>\$ 25,131,625</u>	<u>\$ 25,329,372</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.09%	5.68%	6.08%	6.41%	6.68%	0.99%	1.30%	1.59%	2.42%

Source: Annual Debt Statements

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2022	5,362	N/A	\$ 67,814	5.6%
2021	5,274 *	N/A	\$ 63,784 *	8.8%
2020	5,274 *	N/A	\$ 63,784 *	3.6%
2019	5,311	N/A	\$ 63,784	4.0%
2018	5,325	N/A	\$ 61,156	4.6%
2017	5,345	N/A	\$ 58,798	4.8%
2016	5,361	N/A	\$ 57,006	5.0%
2015	5,392	N/A	\$ 55,706	5.9%
2014	5,443	N/A	\$ 53,814	7.0%
2013	5,464	N/A	\$ 51,457	6.5%

**Source: New Jersey State Department of Education**

\* Estimate

N/A - not available



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	2021			Employer	2012		
	Employees	Rank	Percentage of Total Municipal Employment		Employees	Rank	Percentage of Total Municipal Employment

NOT AVAILABLE

***OPERATING INFORMATION***

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	-	-	-	-	-	-	-	-	-	-
Regular	45.1	45.1	45.1	45.1	46.1	45.0	47.3	46.4	46.5	44.1
Special Education	20.0	19.2	20.2	20.3	20.8	22.0	21.8	26.9	26.9	26.8
Other Instruction	3.0	5.0	5.0	5.0	5.0	4.3	4.0	1.0	1.0	1.0
Support Services:										
Student and Instruction Related Services	8.6	8.8	8.8	8.8	8.8	9.7	9.4	8.6	8.4	8.4
General Administration Services	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0
School Administrative Services	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Business / Central Services	3.0	3.6	3.6	4.0	4.0	4.0	4.0	4.0	4.0	3.5
Plant Operations and Maintenance	6.9	6.9	6.9	7.6	7.7	6.4	6.4	6.0	6.0	6.0
Pupil Transportation	2.6	2.7	2.7	2.7	2.2	2.3	2.8	2.7	2.7	2.3
<b>Total</b>	<b>94.3</b>	<b>96.4</b>	<b>97.4</b>	<b>98.6</b>	<b>99.7</b>	<b>98.8</b>	<b>100.8</b>	<b>100.7</b>	<b>100.6</b>	<b>97.3</b>

**Source:** District Personnel Records

**Note:**  
 GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No.44 in fiscal year 2006 and the realignment of position classifications only five years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pre Kindergarten	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary	Middle School	School					
2022	499.0	\$ 13,316,082	\$ 26,686	-0.19%	68	N/A	1:08	1:08	N/A	541.1	498.7	14.25%	92.16%	
2021	480.0	12,832,961	26,735	6.03%	71	N/A	1:08	1:08	N/A	473.6	465.3	-6.07%	98.25%	
2020	504.0	12,708,302	25,215	4.32%	71	N/A	1:08	1:08	N/A	504.2	489.4	0.10%	97.06%	
2019	498.0	12,036,648	24,170	5.07%	71	N/A	1:08	1:08	N/A	503.7	482.6	-2.12%	95.81%	
2018	517.0	11,893,234	23,004	4.42%	71	N/A	1:08	1:08	N/A	514.6	493.0	-2.81%	95.80%	
2017	516.0	11,368,109	22,031	1.29%	71	N/A	1:08	1:08	N/A	529.5	506.1	0.95%	95.58%	
2016	526.0	11,440,446	21,750	3.17%	70	N/A	1:08	1:08	N/A	524.5	502.1	-2.91%	95.73%	
2015	543.0	11,447,636	21,082	5.74%	69	N/A	1:08	1:08	N/A	540.2	517.9	-2.33%	95.87%	
2014	556.0	11,085,074	19,937	-0.62%	70	N/A	1:08	1:08	N/A	553.1	531.7	1.03%	96.13%	
2013	557.0	11,174,464	20,062	6.25%	69	N/A	1:08	1:08	N/A	547.4	524.7	-5.73%	95.85%	

Sources: District records

Note:

- a Enrollment based on annual October district count.
- b Operating expenditures equal total expenditures less debt service and capital outlay
- c Cost per pupil represents operating expenditures divided by enrollment.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b><u>District Building</u></b>										
<b><u>Early Learning Center</u></b>										
<b>Branchville School (1920)</b>										
Square Feet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capacity (students)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b><u>Elementary/ Middle School</u></b>										
<b>Frankford Twp.School (1950)</b>										
Square Feet	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357
Capacity (students)	44	44	44	44	44	44	44	44	44	44
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b><u>Early Learning Center</u></b>										
<b>Modular Trailer (2014)</b>										
Square Feet	800	800	800	800	800	800	800	800	800	800
Capacity (students)	756	756	756	756	756	756	756	756	1,000	1,000
Enrollment										
<b><u>Other</u></b>										
Administration Building										
Square Feet	800	800	800	800	800	800	800	800	800	800
CST Trailer										
Square Feet	756	756	756	756	756	756	756	756	1,000	1,000

Number of Buildings at June 30, 2021  
 Early Learning Center = 1  
 Elementary/ Middle School = 1  
 Other = 2

**Source: District Records**

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**LAST TEN FISCAL YEARS**

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

* School Facilities	Project # (s)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Frankford Township School	1560-050-03-0317	\$ -	\$ 110,437	\$ 236,598	\$ 89,771	\$ 130,876	\$ 123,603	\$ 39,462	\$ 36,069	\$ 40,696	\$ 41,208
<b>Grand Total</b>		<b>\$ -</b>	<b>\$ 110,437</b>	<b>\$ 236,598</b>	<b>\$ 89,771</b>	<b>\$ 130,876</b>	<b>\$ 123,603</b>	<b>\$ 39,462</b>	<b>\$ 36,069</b>	<b>\$ 40,696</b>	<b>\$ 41,208</b>

\* 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**

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Insurance Schedule  
June 30, 2021  
(Unaudited)

School Alliance Insurance Fund is a Joint Insurance Fund pursuant to N.J.S.A. 18A-18B-1 et. Seq.  
Policy numbers are not available for Joint Insurance Fund documents as they are written in blanket form.

	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund	\$ 500,000,000	
Building & Personal Property		\$ 2,500
Inland Marine - Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits		
Each Occurrence	5,000,000	
General Aggregate (Fund)	100,000,000	
Product/Completed Ops		
Personal Inquiry		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Environmental Impairment Liability	1,000,000/25,000,000 Fund Agg.	\$ 10,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler & Machinery	100,000,000	2,500
Excess Liability (AL/GL/SLPL)	15,000,000	
School Leaders Professional Liability	\$ 5,000,000	\$ 5,000
Cyber Liability (Per Occurrence/ Aggregate)	\$ 2,000,000	\$ 10,000
Workers' Compensation	Statutory	
Employer's Liability	\$ 5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Administrator	25,000 Selective Insurance	
Bond for Treasurer of School Monies	190,000 Selective Insurance	
Student Accident	All students 1,000,000 limit 5yr benefit	

New Jersey Performance Framework Financial Ratios  
Frankford Township Board of Education  
Audited Performance Indicators

1-21

	2020	2021	2022	Source
	Audit	Audit	Audit	
Cash	\$ 67,975	\$ 44,636	\$ 1,808,696	Audit: Exhibit A-1
Current Assets (include cash)	68,426	30,515	2,252,567	Audit: Exhibit A-1
Current Liabilities	-	10,836	222,451	Audit: Exhibit A-1
Total Expenses	397,886	-	15,332,769	Audit: Exhibit A-2
Change in Net Position	(22,138)	-	793,217	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,048	1,071.00	1,073.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	1,042	1,068	1,019	March 30 District Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	0	0	413,916	Auditor/Workpapers
Interest Expense	0	0	11,944.00	Auditor/Workpapers
Principal Payments- Normal	0	93,336	-	Auditor/Workpapers
Principal Payments- Early Loan Payoff	-	2,548,019	-	Auditor/Workpapers
Interest Payments	0	0	-	Auditor/Workpapers

	2020	2021	2022	3 YR CUM	Calculation*****	Target*****
<b>Performance Indicators</b>						
<b>Near Term Indicators</b>						
1a.	#DIV/0!	2.8	10.1		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	62	#DIV/0!	43		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	101%	100%	105%	102%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	NO	NO	NO		Auditor	not in default
<b>Sustainability Indicators</b>						
2a***	(21,370)	(23,339)	1,764,060	1,719,351	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	#DIV/0!	0.00	#DIV/0!		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

**Footnotes:**  
Debt Service Coverage Ratio 2020: The school paid its loan early with a payoff of \$2,548,019 in FY 2020. In order to provide a more accurate debt service coverage ratio the principal payoff per the loan amortization table was used instead of the total principal payments. These were separated above.

\* For renaissance schools; use Oct 15 count if no final count; use head count if ADE not available  
\*\* Is school in default of loan covenants(s) and/or is delinquent with debt service payments? No  
\*\*\* 2020=2020 Cash - 2019 Cash; 2019=2019 Cash-2018 Cash; 2018=2018 Cash-2017 Cash  
\*\*\*\* Refer to NJ Performance Framework





***SINGLE AUDIT SECTION***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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Union, New Jersey 07083  
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**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**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Frankford Township Board of Education  
Branchville, 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of Frankford Township Board of Education (District), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 8, 2023 which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, consistency of financial statements, and prior period adjustment

***Internal Control over Financial Reporting***

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter 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.

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
February 8, 2023

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM  
GUIDANCE AND NEW JERSEY CIRCULAR 15-08 OMB**

The Honorable President and  
Members of the Board of Trustees  
Frankford Township Board of Education  
Branchville, New Jersey

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

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

We have audited the Frankford Township Board of Education’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022. The Frankford Township Board of Education’s major state programs are identified in the Summary of Auditor’s Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the Frankford Township Board of Education, in the , State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state [and Federal] programs for the fiscal year ended June 30, 2022.

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

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

those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Frankford Township Board of Education's State and Federal 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 Frankford Township Board of Education'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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Frankford Township Board of Education's compliance with the requirements of each major State and Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Frankford Township Board of Education'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 Frankford Township Board of Education'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 *Uniform Guidance* and the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of Frankford Township Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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


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

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

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

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

  
BARRE & COMPANY LLC  
Certified Public Accountants  
Public School Accountants

  
Richard M. Barre  
Public School Accountant  
PSA Number CS-01181

Union, New Jersey  
February 8, 2023

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2022

Federal Agency Listing Program Title	Additional Award Identification	Fed/FIN Number	Grant or State Prnt Number	Project or Award Amount	Grant Period From To	Balance at June 30, 2021	Complyer/ (W/allow) Amount	Cash Received	Budgetary Expenditures	Pass Through To Subrecipients	Adjustments	Resident of Prior Year Balances	Accounts Receivable	Balance at June 30, 2022
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
<b>Special Revenue Fund:</b>														
<b>No Child Left Behind:</b>														
84-010A Title I Part A	N/A	S0010A220030	NCLB - 22	48,700	7/1/21	6/30/22	\$ -	29,923	(48,700)	\$ -	\$ -	\$ -	(18,777)	\$ -
84-010A Title I Part A Carryover	N/A	S0010A210030	NCLB - 21	34,337	7/1/20	6/30/21	(36,433)	36,433	(16,237)	-	-	-	-	-
84-367 Title VI, Part A Carryover	84-367A	S397A210029	NCLB - 21	8,281	7/1/20	6/30/21	(16,237)	16,237	(27,845)	-	-	-	(11,897)	-
84-358 Title VI, Part B Rural & Low-Income Education	85-358A	S358B210030	N/A	44,008	7/1/21	9/30/23	(92,470)	98,551	(92,782)	-	-	-	(46,901)	-
<b>Total No Child Left Behind</b>														
<b>Special Education Cluster (IDEA):</b>														
84-027 ID E.A. Part B Basic	84-027A	H027A20031	IDEA - 22	143,545	7/1/21	6/30/22	(28,414)	89,722	(143,545)	-	-	-	(53,823)	-
84-027 ID E.A. Part B Basic Carryover	84-027A	H027A210031	IDEA - 21	146,539	7/1/20	6/30/21	(28,414)	28,414	(6,971)	-	-	-	(2,317)	-
84-173 ID E.A. Preschool	N/A	H027A230100	IDEA - 22	6,971	9/1/21	8/31/22	-	4,654	(23,177)	-	-	-	(3,317)	-
84-027 ARP - ID E.A. Part B Basic	84-027X	H027A230100	IDEA - 22	-	7/1/21	9/30/22	(28,414)	43,927	(723,628)	-	-	-	(58,140)	-
<b>Total Special Education Cluster (IDEA)</b>														
<b>Other Special Revenue Funds:</b>														
84-425 CRSA-ESSER II Acceleration Grant (Carryover)	COVID-19, 84-425D	S425D210027	N/A	52,733	3/13/20	9/30/23	-	34,746	(52,733)	-	-	-	(17,988)	-
84-425 CRSA-ESSER II Acceleration Grant (Carryover)	COVID-19, 84-425D	S425D210027	N/A	23,000	3/13/20	9/30/24	-	23,000	(7,090)	-	-	-	(7,090)	-
84-425 CRSA-ESSER II Acceleration Grant (Carryover)	COVID-19, 84-425D	S425D210027	N/A	45,000	3/13/20	9/30/23	-	45,000	(46,000)	-	-	-	(2,153)	-
84-425 CRSA-Mental Health Grant (Carryover)	COVID-19, 84-425U	S425U210027	N/A	-	3/13/20	9/30/24	-	139,909	(142,082)	-	-	-	(12,450)	-
84-011 School Security Grant	84-010A	S010A210030	N/A	26,054	7/1/20	6/30/22	(113,079)	13,604	(26,054)	-	-	-	(39,671)	-
<b>Total Other Special Revenue Funds</b>														
<b>Total Special Revenue Fund</b>														
<b>Total Federal Financial Awards</b>														
<b>U.S. Department of Agriculture</b>														
<b>Passed-through State Department of Agriculture</b>														
10-555 Child Nutrition Cluster	COVID-19	271N33AN1089	N/A	194,634	7/1/21	6/30/22	(4,598)	181,788	(194,651)	-	-	-	(12,843)	-
10-555 COVID-19 National School Lunch Program	COVID-19	211N33AN1089	N/A	30,015	7/1/20	6/30/21	-	4,598	-	-	-	-	-	-
10-555 COVID-19 National School Lunch Program	COVID-19	228N33AN1089	N/A	5,203	7/1/21	6/30/22	-	5,203	(6,203)	-	-	-	(1,000)	-
<b>Total Child Nutrition Cluster</b>														
10-558 Child Care Food Program	COVID-19	222225010941	N/A	-	7/1/21	6/30/22	-	628	(198,834)	-	-	-	(12,843)	-
10-558 Child Care Food Program	COVID-19	222225010941	N/A	-	7/1/20	6/30/21	-	628	(628)	-	-	-	-	-
10-646 P-EBT Administration	COVID-19	222225010941	N/A	614	7/1/21	6/30/22	(4,598)	614	(614)	-	-	-	(12,843)	-
<b>Total Enterprise Fund</b>														
<b>Total Federal Financial Awards</b>														



**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Balance	Balance at June 30, 2022		MEMO
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					Unearned Revenue/Interfund Payable	Due to Grantor	
<b>State Department of Education</b>													
General Fund:													
State Aid-Public Education Aid, State Share	22-495-034-5120-078	\$ 23,845	7/1/21	6/30/22	\$ -	\$ -	\$ -	\$ 21,461	\$ (23,845)	\$ -	\$ (2,384)	\$ -	\$ 23,845
Equity Aid	21-495-034-5120-071	6,746	7/1/20	6/30/21	(675)	-	371,075	(41,222)	(41,222)	-	-	-	412,297
Special Education, Categorical Aid	21-495-034-5120-089	412,297	7/1/21	6/30/22	(41,223)	-	43,815	(48,682)	(48,682)	-	-	-	48,682
Special Education Aid	22-495-034-5120-084	48,682	7/1/21	6/30/22	(4,867)	-	4,867	(507,401)	(507,401)	-	-	-	507,401
Security Aid	21-495-034-5120-084	48,682	7/1/20	6/30/21	(78,382)	-	79,392	(253,966)	(253,966)	-	-	-	253,966
Adjustment Aid	22-495-034-5120-085	507,401	7/1/21	6/30/22	(25,392)	-	25,392	(204,707)	(204,707)	-	-	-	204,707
Adjustment Aid	21-495-034-5120-085	1,016,545	7/1/20	6/30/21	(433,700)	-	1,565,296	(1,450,898)	(1,450,898)	-	-	-	1,450,898
Transportation Aid	22-495-034-5120-014	253,966	7/1/21	6/30/22	(19,077)	-	19,077	(397,770)	(397,770)	-	-	-	397,770
Transportation Aid	21-495-034-5120-014	253,966	7/1/20	6/30/21	(455,387)	-	4,347,693	(4,275,448)	(4,275,448)	-	-	-	4,275,448
Extraordinary Aid	22-100-034-5120-473	204,707	7/1/21	6/30/22	(2,610)	-	2,610	(41,638)	(41,638)	-	-	-	41,638
Total State Aid-Public					(2,610)	-	7,540	(451,554)	(451,554)	-	-	-	451,554
Nonpublic School Transportation Costs	22-100-034-5120-068	-	7/1/21	6/30/22	(469)	-	469	(1,932,688)	(1,932,688)	-	-	-	1,932,688
Nonpublic School Transportation Costs	21-100-034-5120-068	2,610	7/1/20	6/30/21	(469)	-	469	(900)	(900)	-	-	-	900
Slate Homeless Tuition Reimbursement	22-XXX-XXX-XXX-XXX	41,638	7/1/21	6/30/22	(469)	-	4,275	(4,571)	(4,571)	-	-	-	4,571
TPAF Post-Retirement Medical	22-495-034-5094-001		7/1/21	6/30/22	(469)	-	4,744	(4,571)	(4,571)	-	-	-	4,571
TPAF Pension Contributions	22-495-034-5094-002		7/1/21	6/30/22	(469)	-	4,352,437	(4,280,019)	(4,280,019)	-	-	-	4,280,019
TPAF Non-Contributory Insurance	22-495-034-5094-004	397,770	7/1/21	6/30/22	(19,077)	-	19,077	(397,770)	(397,770)	-	-	-	397,770
Reimbursed TPAF - Social Security Contributions	22-495-034-5094-003	376,695	7/1/20	6/30/21	(455,387)	-	4,347,693	(4,275,448)	(4,275,448)	-	-	-	4,275,448
Total Reimbursed TPAF-Social Security Cluster					(455,387)	-	4,347,693	(4,275,448)	(4,275,448)	-	-	-	4,275,448
Total General Fund					(455,387)	-	4,347,693	(4,275,448)	(4,275,448)	-	-	-	4,275,448
<b>State Department of Agriculture</b>													
Enterprise Fund:													
National School Lunch Program (State Share)	22-100-010-3350-023	4,571	7/1/21	6/30/22	(469)	-	4,275	(4,571)	(4,571)	-	-	-	4,571
National School Lunch Program (State Share)	21-100-010-3350-023	1,710	7/1/20	6/30/21	(469)	-	469	(296)	(296)	-	-	-	296
Total Enterprise Fund					(469)	-	4,744	(4,571)	(4,571)	-	-	-	4,571
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					\$ (455,856)	\$ -	\$ 4,352,437	\$ (4,280,019)	\$ (4,280,019)	\$ -	\$ (390,978)	\$ -	\$ 4,280,019
State Financial Assistance Not Subject to Major Program Determination:													
General Funds (Non-Cash Assistance)													
TPAF Post-Retirement Medical	22-495-034-5094-001	451,554	7/1/21	6/30/22				(451,554)	(451,554)				451,554
TPAF Pension Contributions	22-495-034-5094-002	1,932,688	7/1/21	6/30/22				(1,932,688)	(1,932,688)				1,932,688
TPAF Non-Contributory Insurance	22-495-034-5094-004	900	7/1/21	6/30/22				(900)	(900)				900
Total General Funds (Non-Cash Assistance)								(2,385,142)	(2,385,142)				2,385,142
Total State Financial Assistance								\$ (1,894,877)	\$ (1,894,877)				

The accompanying Notes to Financial Statements and Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Notes to the Schedules of Expenditures  
Of Federal Awards and State Financial Assistance  
**June 30, 2022**

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**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, Frankford Township Board of Education. The Board of Trustees is defined in Note 1 to the board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal and state awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the New Jersey OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
**June 30, 2022**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 4,275,448	\$ 4,275,448
Special Revenue Fund	538,350	1,147	539,497
Food Service Fund	-	-	-
Total Awards & Financial Assistance	<u>\$ 538,350</u>	<u>\$ 4,276,595</u>	<u>\$ 4,814,945</u>

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

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

**NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING**

Frankford Township Board of Education has no loan balances outstanding at June 30, 2022.

**NOTE 6. OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. 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, 2022.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Notes to the Schedules of Expenditures  
Of Awards and Financial Assistance  
**June 30, 2022**

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**NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**NOTE 8. DE MINIMIS INDIRECT COST RATE**

The School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 9. MAJOR PROGRAMS**

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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

**Financial Statements**

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	___X___ No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	None ___X___ 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) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	None ___X___ Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Uniform Guidance?	_____ Yes	___X___ No

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
<b>EDUCATION STABILIZATION FUND:</b>	
<u>84.425D</u>	CRRSA ESSER II
<u>84.425D</u>	CRRSA Learning Acceleration Grant
<u>84.425D</u>	CRRSA Mental Health Grant
	<u>American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER):</u>
<u>84.425U</u>	Accelerated Learning Coach
<u>84.425U</u>	ESSER III
<b>CHILD NUTRITION CLUSTER:</b>	
<u>10.555</u>	<u>National School Lunch Program and Supply Chain Assistance (SCA)</u>

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	_____ Yes	___X___ No
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**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

**Section I – Summary of Auditor’s Results (Continued)**

**State Awards**

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

Auditee qualified as low-risk auditee?  Yes  No

Internal control over major programs:

1) Material weakness(es) identified?  Yes  No

2) Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable?  Yes  No

Identification of major state programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
	<u>STATE AID – PUBLIC</u>
<u>22-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>22-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u>22-495-034-5120-014</u>	<u>Extraordinary Aid</u>

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2022

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***Section II – Schedule of Financial Statement Findings***

The section identifies the significant deficiencies, material weaknesses and fraud, non compliance with provisions of laws, regulation, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey requires.

No Current Year Findings

***Part III – Schedule of Federal and State Award  
Findings and Questioned Costs As Prepared By Management***

This section identifies the significant deficiencies, material weaknesses, and material matters of noncompliance, including questioned costs and significant instances of abuse, related to the audit of major federal and state programs, as required by U.S Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

No Current Year Findings

**CURRENT YEAR STATE AWARDS**

No Current Year Findings

**FRANKFORD TOWNSHIP BOARD OF EDUCATION**  
Summary Schedule of Prior Year Audit Findings and Questioned Costs as prepared by  
Management  
For the Fiscal Year Ended June 30, 2022

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**STATUS OF PRIOR-YEAR FINDINGS**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Government Auditing Standards, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

No Prior Year Findings