

SCHOOL DISTRICT
OF
FRELINGHUYSEN TOWNSHIP

Frelinghuysen Township School District
Board of Education
Johnsonburg, Warren County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Frelinghuysen Township School District

Board of Education

Johnsonburg, New Jersey

For the Fiscal Year Ending June 30, 2022

Prepared by

Frelinghuysen Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	7-9
Required Supplementary Information – Part I Management's Discussion and Analysis	11-18
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	31-59
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	62-70
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71
Notes to Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	72

OUTLINE OF ACFR

Required Supplementary Information – Part III		<u>Page</u>
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-3	Schedule of the District's Proportionate Share of the Net Pension Liability	73
L-2	Schedule of District Contributions	74
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1	Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	75
Notes to Required Supplementary Information - Part III		76
Other Supplementary Information		
D.	School Level Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	79
E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues and Expenditures	N/A
G.	Proprietary Funds	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	See B-4
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3	Combining Statement of Cash Flows	See B-6
	Internal Service Fund:	
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A

OUTLINE OF ACFR

Other Supplementary Information (continued)		<u>Page</u>
H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	N/A
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
I.	Long-Term Debt:	
I-1	Schedule of Serial Bonds	N/A
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Budgetary Comparison Schedule Debt Service Fund	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section	83
Financial Trends	
J-1 Net Position by Component	84
J-2 Changes in Net Position	85-86
J-3 Fund Balances - Governmental Funds	87
J-4 Changes in Fund Balances - Governmental Funds	88
J-5 General Fund Other Local Revenue by Source	89
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	90
J-7 Direct and Overlapping Property Tax Rates	91
J-8 Principal Property Taxpayers	92
J-9 Property Tax Levies and Collections	93
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	94
J-11 Ratios of General Bonded Debt Outstanding	95
J-12 Direct and Overlapping Governmental Activities Debt	96
J-13 Legal Debt Margin Information	97
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	98
J-15 Principal Employers	99
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	100
J-17 Operating Statistics	101
J-18 School Building Information	102
J-19 Schedule of Required Maintenance Expenditures by School Facility	103
J-20 Insurance Schedule	104

OUTLINE OF ACFR

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	106-107
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's circular 15-08	108-110
K-3	Schedule of Expenditures of Federal Awards, Schedule A	111
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	112
K-5	Notes to the Schedules of Awards and Financial Assistance	113-114
K-6	Schedule of Findings and Questioned Costs	115-117
K-7	Summary Schedule of Prior Audit Findings	118

Introductory Section

Frelinghuysen Township School

780 Route 94
Newton, NJ 07860
Phone: 908 362-6319
FAX: 908 362-5730

Stephanie Bonaparte
Chief School Administrator
bonaparte@frelinghuysenschool.org

Jenny Deuel
Business Administrator/Board Secretary
deuel@frelinghuysenschool.org

Honorable President and
Members of the Board of Education
Frelinghuysen School District
County of Warren, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Frelinghuysen School District for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, Audit of State and Local Governments, and the State Treasury Circular Letter 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

- 1) REPORTING ENTITY AND ITS SERVICES:** Frelinghuysen School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Frelinghuysen Board of Education and all

its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 6. The District completed the 2020-2021 fiscal year with an average daily enrollment of 126 students, which are nine students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

Fiscal Year	Average Daily Enrollment	
	Student Enrollment	Percent Change
2016-2017	149	-5.7%
2017-2018	140	-6.0%
2018-2019	145	3.5%
2019-2020	135	-6.9%
2020-2021	126	-6.7%
2021-2022	129	2.4%

- 2) **ECONOMIC CONDITION AND OUTLOOK:** Since much of Frelinghuysen Township's land has large parcels that are under agricultural assessment and/or have significant environmental constraints, there is little pressure for rapid, large-scale residential growth. Our primary economic challenge is the continued reduction in State Aid, especially in light of legislation.
- 3) **MAJOR INTIATIVES:** Frelinghuysen Township School staff has been working to align the school's curricula with the recently implemented New Jersey Student Learning Standards. Programs that align with these standards have been implemented in math, science, language arts, social studies, physical education and world language. Emphasis continues to be on reading, writing and math instruction at all grade levels as well as technology integration. Professional development continues to support these areas as well as inclusion and differentiation of instruction in the classroom for special education and gifted students.
- 4) **INTERNAL ACCOUNT 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 account data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized 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 Board of Education. Annual appropriated budgets are adopted for the general fund and the special revenue 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 account 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-appropriations of fund balance in the subsequent year. Those amount to be re-appropriated are reported as reservations of fund balance at June 30, 2021.

- 6) **ACCOUNTING SYSTEMS AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The account system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement", Note 1.
- 7) **FINANCIAL INFORMATION AT FISCAL YEAR END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.
- 8) **DEBT ADMINISTRATION:** At June 30, 2022, the District has zero outstanding debt issues.
- 9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan 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 2007 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 funds are secured in accordance with the Act.
- 10) **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 11) **OTHER INFORMATION:** State Statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1992 and the related OMB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the signal audit are included in the single audit section of this report.

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

Respectfully submitted,



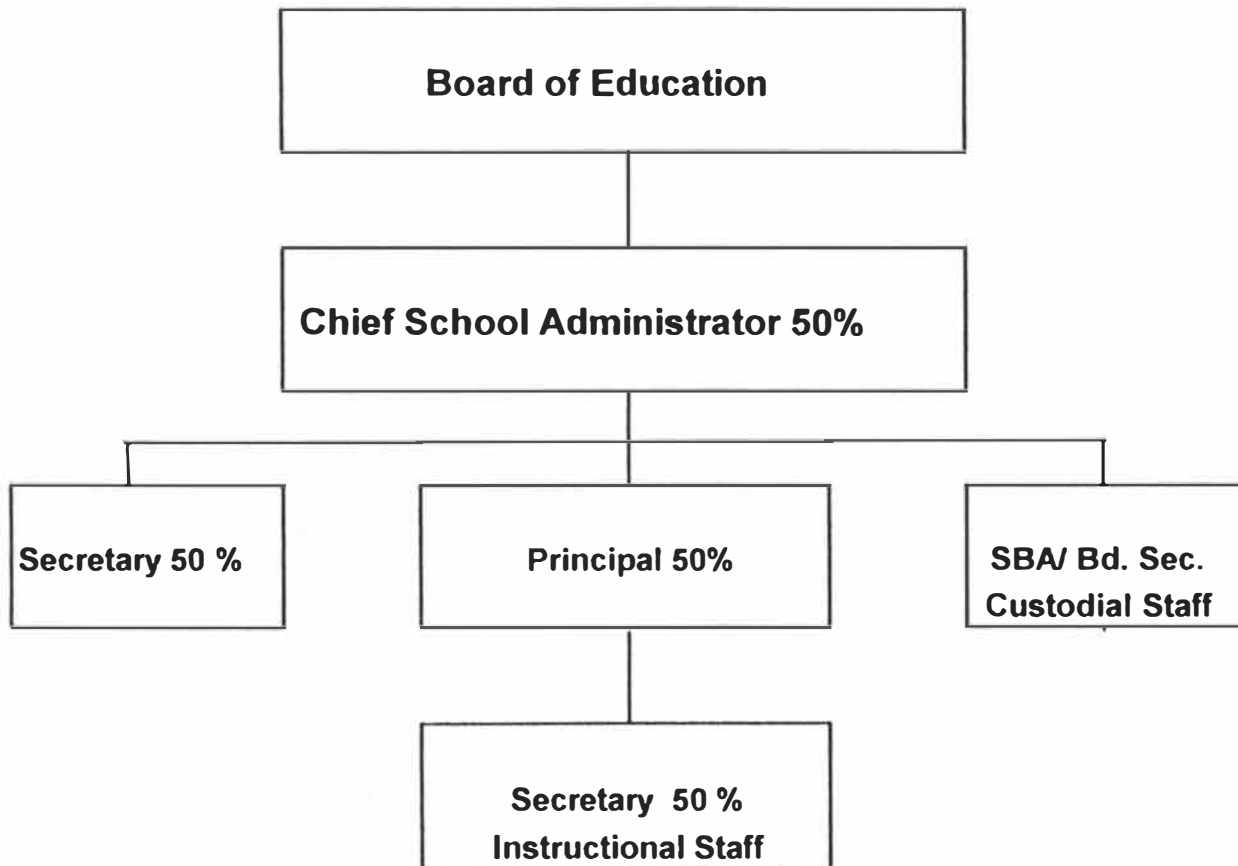
Stephanie Bonaparte
Chief School Administrator



Jenny Deuel
Business Administrator/
Board Secretary

FRELINGHUYSEN TOWNSHIP BOARD OF EDUCATION

Organization Chart (Unit Control)



**FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kimberly Neuffer, <i>President</i>	2023
Lori Anne Swistak, <i>Vice President</i>	2021
Kristin Keesser	2023
Eleni Peterson	2021
Lowell Forbes	2021
Doreen Pandiscia	2023
Janet DeFilippis	2022
David Hocking	2022
Michael Galante	2022

Other Officials

Stephanie Bonaparte, *Chief School Administrator*

Jenny Deuel, *Business Administrator*

Paula Hatch, *Treasurer*

Marc H. Zitomer, *Esquire*

**FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

Audit Firm

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192

Attorney

Marc H. Zitomer, Esquire
Schenck Price Smith & King, LLP
220 Park Ave, PO Box 991
Florham Park, New Jersey 07921

Official Depository

First Hope Bank
P.O. Box 296
Hope, New Jersey 07844

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Frelinghuysen Township School District
County of Warren
Johnsonburg, New Jersey 07846

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Frelinghuysen Township School District Board of Education, as of and for the 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Frelinghuysen Township School District Board of Education, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Frelinghuysen Township School District 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.

Responsibilities of Management for the Financial Statements

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

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

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Frelinghuysen Township School District Board of Education's basic financial statements. The combining and individual

-Continued-

non-major fund financial statements, and the 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*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ In total, Net Position decreased \$86,456 which represents a 6.4% decrease from 2021.
- ◆ General revenues accounted for \$2,279,039 in revenue or 71.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$893,455 or 28.2% of total revenues of \$3,172,494.
- ◆ Total assets of governmental activities increased by \$216,925, as cash and cash equivalents increased by \$18,554, receivables increased by \$261,057, and capital assets decreased by \$63,915.
- ◆ The School District had \$3,258,950 in expenses; only \$893,455 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,279,039 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$3,156,375 in revenues and \$3,178,408 in expenditures. The General Fund's surplus balance decreased \$26,006 over 2021, which compares favorably to the budgeted decrease of \$158,558.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Frelinghuysen Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Frelinghuysen Township School District, the General Fund is by far the most significant fund.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 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 most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type 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 School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 24. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Governmental Funds

The School 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 School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2022 compared to 2021.

**Table 1
Net Position**

	<u>2022</u>	<u>2021</u>
Assets		
Current and Other Assets	\$ 1,658,113	\$ 1,377,273
Capital Assets	<u>189,562</u>	<u>253,477</u>
Total Assets	<u>1,847,675</u>	<u>1,630,750</u>
Deferred Outflows of Resources	<u>179,485</u>	<u>93,466</u>
Liabilities		
Long-Term Liabilities	185,041	132,725
Other Liabilities	<u>461,691</u>	<u>156,455</u>
Total Liabilities	<u>646,732</u>	<u>289,180</u>
Deferred Inflows of Resources	<u>115,015</u>	<u>83,167</u>
Net Position		
Invested in Capital Assets, Net of Debt	189,562	253,477
Restricted	957,942	976,846
Unrestricted	<u>117,909</u>	<u>121,546</u>
Total Net Position	<u>\$ 1,265,413</u>	<u>\$ 1,351,869</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Total assets of governmental activities increased by \$216,925, as cash and cash equivalents increased by \$18,554, receivables increased by \$261,057, and capital assets decreased by \$63,915.

The cash increase was mainly due operational efficiency towards budget and the decrease in capital assets was due to depreciation expense, net of capital additions. Receivables increased due to federal grants not yet collected.

Table 2 shows the changes in Net Position from fiscal year 2021.

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 8,071	\$ 1,214
Operating Grants and Contributions	885,384	1,194,931
General Revenues:		
Property Taxes	2,224,585	2,144,171
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	3,810	3,742
Other	<u>50,644</u>	<u>28,607</u>
Total Revenues	<u>3,172,494</u>	<u>3,372,665</u>
Program Expenses		
Instruction	1,794,919	1,755,444
Support Services:		
Tuition	59,680	-
Pupils and Instructional Staff	432,592	450,404
General Administration, School Administration, Business	264,965	305,717
Operations and Maintenance of Facilities	465,234	428,233
Pupil Transportation	167,011	153,648
Business-Type Activities	65,311	31,960
Interest and Fiscal Charges	<u>9,238</u>	<u>8,669</u>
Total Expenses	<u>3,258,950</u>	<u>3,134,075</u>
Increase in Net Position	<u>\$ (86,456)</u>	<u>\$ 238,590</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 70.1% percent of revenues for governmental activities for the Frelinghuysen Township School District for the fiscal year 2022.

Instruction comprises 55.1% of district expenses. Support services expenses make up 42.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 1,794,919	\$ 1,343,836	\$ 1,755,444	\$ 1,113,294
Support Services:				
Tuition	59,680	46,915	-	-
Pupils and Instructional Staff	432,592	257,836	450,404	227,037
General Admin., School Admin., Business	264,965	208,289	305,717	201,112
Operation and Maintenance of Facilities	465,234	365,722	428,233	281,707
Pupil Transportation	167,011	131,288	153,648	101,075
Business-Type Activities	65,311	2,371	31,960	5,036
Interest and Fiscal Charges	9,238	9,238	8,669	8,669
Total Expenses	<u>\$ 3,258,950</u>	<u>\$ 2,365,495</u>	<u>\$ 3,134,075</u>	<u>\$ 1,937,930</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 74.9% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 72.7%. The community, as a whole, is the primary support for the Frelinghuysen Township School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$3,305,756 and expenditures of \$3,327,789. The General Fund's surplus balance decreased \$26,006 over 2021, which compares favorably to the budgeted decrease of \$158,558.

General Fund Budgeting Highlights

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

During the course of the fiscal 2022 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$2,663,492, \$48,904 over original budgeted estimates of \$2,614,588. This difference was due primarily to an increases in tuition revenues.

General fund revenues fell short of expenditures by \$35,986. Again this deficit compares to a budgeted deficit of \$158,558. The budgeted deficit was reduced due to revenue increases and cost savings in the areas of instruction, plant operations, and employee benefits.

Overall general fund balance (budget basis) was \$1,229,322, and amounts ear-marked and reserved for future purposes were \$958,214, creating a surplus in unreserved fund balance of \$271,108. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

Capital Assets

At the end of the fiscal year 2022, the School District had \$189,562 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

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

	<u>2022</u>	<u>2021</u>
Land	\$ 102,300	\$ 102,300
Land Improvements	-	-
Buildings and Improvements	77,555	135,426
Machinery and Equipment	<u>9,707</u>	<u>15,751</u>
Totals	<u>\$ 189,562</u>	<u>\$ 253,477</u>

Overall capital assets decreased \$63,915 from fiscal year 2021 to fiscal year 2022. The decrease in capital assets was due to depreciation expense, net of capital additions.

Capital improvements of \$28,468 were purchased during fiscal year 2022, which included the installation of carbon water tanks.

Debt Administration

At June 30, 2022, the School District had \$41,370 as outstanding long term debt. Of this amount, \$41,370 is for compensated absences.

At June 30, 2022, the School District's overall legal debt margin was \$8,549,921 and the unvoted debt margin was the same.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

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

For the Future

It has been increasingly difficult to balance educational needs with increases in property tax rates. However the district has been able to stabilize property tax rates over the last several years. A decrease in state aid could pose future risks to the funding of the school without a corresponding increase in property taxes. The Frelinghuysen Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden. Overall, the Frelinghuysen Township School District is in very good financial condition presently.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/ Board Secretary at Frelinghuysen Township School District, P.O. Box 421, Johnsonburg, NJ , 07846.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Cash Equivalents	\$ 534,531	\$ 449	\$ 534,980
Receivables, Net	389,224		389,224
Interfund Receivables	-	628	628
Inventory		2,935	2,935
Restricted Assets:			
Capital and Maintenance Reserve Account - Cash	730,346		730,346
Capital Assets, Net (Note 5):	189,562		189,562
Total Assets	1,843,663	4,012	1,847,675
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	179,485		179,485
LIABILITIES			
Accounts Payable	107,174		107,174
Payroll Deductions and Withholdings	9,416		9,416
Unemployment Claims Payable	2,949		2,949
Unearned Revenue	340,947	577	341,524
Interfund Payable	628	-	628
Net Pension Liability (Note 7)	143,671		143,671
Noncurrent Liabilities (Note 6):			
Due Within One Year	-		-
Due Beyond One Year	41,370		41,370
Total Liabilities	646,155	577	646,732
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	115,015		115,015
NET POSITION			
Invested in Capital Assets, Net of Related Debt	189,562		189,562
Restricted for:			
Other Purposes	957,942		957,942
Unrestricted	114,474	3,435	117,909
Total Net Position	\$ 1,261,978	\$ 3,435	\$ 1,265,413

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	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
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	\$ 1,642,922		\$ 418,571		\$ (1,224,351)		\$ (1,224,351)
Special Education	151,997		32,512		(119,485)		(119,485)
Other Special Instruction	-		-		-		-
Support Services:							
Tuition	59,680		12,765		(46,915)		(46,915)
Student & Instruction Related Services	432,592		174,756		(257,836)		(257,836)
School Administrative Services	87,727		18,765		(68,962)		(68,962)
General and Business Admin. Services	177,238		37,911		(139,327)		(139,327)
Plant Operations and Maintenance	465,234		99,512		(365,722)		(365,722)
Pupil Transportation	167,011		35,723		(131,288)		(131,288)
Unallocated Depreciation	9,238				(9,238)		(9,238)
Total Governmental Activities	3,193,639	-	830,515		(2,363,124)		(2,363,124)
Business-Type Activities:							
Food Service	65,311	\$ 8,071	54,869			\$ (2,371)	(2,371)
Total Business-Type Activities	65,311	8,071	54,869			(2,371)	(2,371)
Total Primary Government	\$ 3,258,950	\$ 8,071	\$ 885,384		\$ (2,363,124)	\$ (2,371)	\$ (2,365,495)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 2,224,585		\$ 2,224,585
Investment Earnings					3,810		3,810
Miscellaneous Income					50,636	\$ 8	50,644
Transfers					(3,973)	3,973	
Total General Revenues, Special Items, Extraor. Items and Transfers					2,275,058	3,981	2,279,039
Change in Net Position					(88,066)	1,610	(86,456)
Net Position—Beginning					1,350,044	1,825	1,351,869
Prior Period Adjustments							
Net Position—Beginning (Restated)					1,350,044	1,825	1,351,869
Net Position—Ending					\$ 1,261,978	\$ 3,435	\$ 1,265,413

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

FUND FINANCIAL STATEMENTS

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 1,264,877		\$ 1,264,877
Interfund Receivables	31,181		31,181
Receivables from Other Governments	25,050	\$ 364,174	389,224
TOTAL ASSETS	\$ 1,321,108	\$ 364,174	\$ 1,685,282
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 103,930	\$ 3,244	\$ 107,174
Payroll Liabilities	9,416		9,416
Interfund Payable	628	31,181	31,809
Unemployment Compensation Claims Payable	2,949		2,949
Deferred Revenue	11,198	329,749	340,947
Total Liabilities	128,121	364,174	492,295
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	473,118		473,118
Maintenance Reserve	257,228		257,228
Emergency Reserve	124,000		124,000
Excess Surplus-Desig. For Subs. Yr's Exp.	55,499		55,499
Excess Surplus	24,472		24,472
Unemployment Compensation	22,465		22,465
<u>Assigned:</u>			
Encumbrances	272		272
Design. for Subsequent Year's Expend.	1,160		1,160
<u>Unassigned:</u>			
General Fund	234,773		234,773
Debt Service Fund			-
Total Fund Balances	1,192,987	-	1,192,987
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,321,108	\$ 364,174	\$ 1,685,282

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$2,224,714 and the accumulated depreciation is \$2,035,152.	\$ 189,562
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)	179,485
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)	(115,015)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(143,671)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(41,370)
Net Position of governmental activities	<u>\$ 1,261,978</u>

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 2,224,585		\$ 2,224,585
Interest Earned on Capital reserve Funds	1,272		1,272
Miscellaneous	53,174		53,174
Total - Local Sources	<u>2,279,031</u>		<u>2,279,031</u>
State Sources	877,344	\$ 3,244	880,588
Federal Sources		146,137	146,137
Total Revenues	<u>3,156,375</u>	<u>149,381</u>	<u>3,305,756</u>
EXPENDITURES			
Current:			
Regular Instruction	1,219,526	67,155	1,286,681
Special Education Instruction	125,417		125,417
Other Special Instruction			
Support services and undistributed costs:			
Intruction Tuition	59,680		59,680
Student and Instruction Related Services	274,718	82,226	356,944
School Administrative Services	72,386		72,386
Other Administrative Services	146,244		146,244
Plant Operations and Maintenance	381,046		381,046
Pupil Transportation	167,011		167,011
Unallocated Benefits	482,903		482,903
Transfer to Charter School	218,177		218,177
Debt Service:			
Principal			
Interest and Other Charges			
Capital Outlay	31,300		31,300
Total Expenditures	<u>3,178,408</u>	<u>149,381</u>	<u>3,327,789</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,033)</u>		<u>(22,033)</u>
OTHER FINANCING SOURCES (USES)			
Transfers - Food Service Fund	(3,973)		(3,973)
Total Other Financing Sources and Uses	<u>(3,973)</u>	-	<u>(3,973)</u>
Net Change in Fund Balances	(26,006)		(26,006)
Fund Balance—July 1	1,218,993		1,218,993
Prior Period Adjustment	-		-
Fund Balance—July 1 (Restated)	<u>1,218,993</u>	-	<u>1,218,993</u>
Fund Balance—June 30	<u>\$ 1,192,987</u>	-	<u>\$ 1,192,987</u>

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (26,006)

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

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

Depreciation Expense	\$ (92,383)	
Capital Outlays	<u>28,468</u>	(63,915)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 3,325

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

(1,470)

Change in Net Position of Governmental Activities \$ (88,066)

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2022

		Business-Type Activities-	
		Enterprise Funds	
		Food	
		Service	Totals
ASSETS			
Current assets:			
Cash and Cash Equivalents		\$ 449	\$ 449
Federal and State Accounts Receivable		-	
Due Current Fund		628	628
Inventories		2,935	2,935
Total Current Assets		<u>4,012</u>	<u>4,012</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		49,678	49,678
Less Accumulated Depreciation		<u>(49,678)</u>	<u>(49,678)</u>
Total Noncurrent Assets			
Total Assets		<u>4,012</u>	<u>4,012</u>
LIABILITIES			
Current liabilities:			
Accounts Payable			
Deferred Revenue		577	577
Total Current Liabilities		<u>577</u>	<u>577</u>
Total Liabilities		<u>577</u>	<u>577</u>
NET POSITION			
Unrestricted		3,435	3,435
Total Net Position		<u>\$ 3,435</u>	<u>\$ 3,435</u>

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 8,071	\$ 8,071
Daily Sales - Non-Reimb.Programs	-	-
Miscellaneous	8	8
Total Operating Revenues	<u>8,079</u>	<u>8,079</u>
Operating Expenses:		
Cost of Sales - Reimbursable Programs	25,863	25,863
Cost of Sales - Non-reimbursable Programs	-	-
Salaries	18,677	18,677
Employee Benefits	5,689	5,689
Supplies	5,619	5,619
Miscellaneous	1,302	1,302
Other Purchased Professional Services	8,161	8,161
Total Operating Expenses	<u>65,311</u>	<u>65,311</u>
Operating Income (Loss)	<u>(57,232)</u>	<u>(57,232)</u>
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,174	1,174
Federal Sources:		
National School Lunch Program	50,564	50,564
P-EBT Administrative Cost Reimbursement	1,242	1,242
Food Distribution Program	1,889	1,889
Total Nonoperating Revenues (Expenses)	<u>54,869</u>	<u>54,869</u>
Income (Loss) Before Contributions and Transfers	(2,363)	(2,363)
Transfers In (Out)	3,973	3,973
Change in Net Position	<u>1,610</u>	<u>1,610</u>
Total Net Position—Beginning	1,825	1,825
Total Net Position—Ending	<u>\$ 3,435</u>	<u>\$ 3,435</u>

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 8,079	\$ 8,079
Payments to Employees	(18,677)	(18,677)
Payments for Employee Benefits	(5,689)	(5,689)
Payments to Suppliers	(42,415)	(42,415)
Net Cash Provided by (used for) Operating Activities	<u>(58,702)</u>	<u>(58,702)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	1,331	1,331
Federal Sources	54,015	54,015
Operating Subsidies and Transfers to Other Funds	3,345	3,345
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>58,691</u>	<u>58,691</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11)	(11)
Balances—Beginning of Year	460	460
Balances—End of Year	<u>\$ 449</u>	<u>\$ 449</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (57,232)	\$ (57,232)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities	1,889	1,889
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	(1,229)	(1,229)
Increase (Decrease) in Accounts Payable	(2,130)	(2,130)
Total Adjustments	<u>(1,470)</u>	<u>(1,470)</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (58,702)</u>	<u>\$ (58,702)</u>

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

Notes to Financial Statements

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB No. 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2021.

A. Reporting Entity:

The Frelinghuysen Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. Grades 7 through 12 students are sent to North Warren Regional School District in Blairstown, New Jersey, which comprises the four surrounding municipalities of Knowlton Township, Blairstown Township, Frelinghuysen Township and Hardwick Township. The Frelinghuysen Township School District had an approximate enrollment at June 30, 2022, of 129 students.

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

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

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity 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 and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital 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 governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the 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.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Basis of Accounting

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

D. Encumbrance Accounting:

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

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

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, money market accounts and short-term investments with original maturities of three months or less.

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are not paid for accrued vacation unless authorized by the Board. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest and tuition.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's 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 municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2022, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	Cash and Cash Equivalents (A-1)
Checking Accounts	\$ 1,265,326
	<u>\$ 1,265,326</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$1,265,326 and the bank balance was \$1,282,904. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,032,904 was covered by collateral pool.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3: RECEIVABLES

Receivables at June 30, 2022, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$25,050	\$25,050
Federal Aid	364,174	364,174
Gross Receivable	<u>389,224</u>	<u>389,224</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u><u>\$389,224</u></u>	<u><u>\$389,224</u></u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2022, consisted of the following:

Food	\$ 928
Supplies	<u>2,007</u>
	<u><u>\$ 2,935</u></u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 102,300			\$ 102,300
Total Capital Assets Not Being Depreciated	<u>102,300</u>			<u>102,300</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	143,850			143,850
Buildings and Building Improvements	1,900,009	\$ 28,468		1,928,477
Machinery and Equipment	50,087			50,087
Total at Historical Cost	<u>2,093,946</u>	<u>28,468</u>		<u>2,122,414</u>
Less Accumulated Depreciation for:				
Land Improvements	(143,850)	-		(143,850)
Building and Improvements	(1,764,583)	(86,339)		(1,850,922)
Equipment	(34,336)	(6,044)		(40,380)
Total Accumulated Depreciation	<u>(1,942,769)</u>	<u>(92,383)</u>		<u>(2,035,152)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>151,177</u>	<u>(63,915)</u>		<u>87,262</u>
Government Activity Capital Assets, Net	<u>\$ 253,477</u>	<u>\$ (63,915)</u>		<u>\$ 189,562</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) 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:

Regular Instruction	\$ 83,145
Unallocated	9,238
Total	<u>\$ 92,383</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6: LONG-TERM OBLIGATIONS

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The District has no outstanding bonds issues.

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance <u>7/1/21</u>	Increases	Decreases	Balance <u>6/30/22</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 39,900	\$ 1,470		\$ 41,370	-
Total	<u>\$ 39,900</u>	<u>\$ 1,470</u>		<u>\$ 41,370</u>	<u>-</u>

Compensated absences and capital leases have been liquidated in the General Fund.

B. Debt Service Requirements:

Bonds Payable matured, were liquidated and paid off on January 15, 2013.

As of June 30, 2022, the District had no authorized but not issued bonds.

C. Capital Leases

The District did not have any capital leases during the year ended June 30, 2022.

NOTE 7: PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the state's portion of the net pension liability that was associated with the district was \$4,023,494 as measured on June 30, 2021 and \$5,493,864 measured on June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$94,675 and revenue of \$94,675 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$9,589,140,982	\$6,356,228,800
Collective deferred inflows of resources	\$14,409,361,877	\$27,175,330,929
Collective net pension liability (Nonemployer-State of New Jersey)	\$65,848,796,740	\$48,075,188,642
State's portion of the net pension liability that was associated with the district	\$5,493,864	\$4,023,494
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.008343%	0.008369%

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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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.

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

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% 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 rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2021, calculated using the discount rate shown 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:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2021 was \$26,533,142,515.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2022	(\$2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	<u>(3,367,824,517)</u>
Total	<u>(\$20,990,267,071)</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$1,759,507,848
Interest on total pension liability	4,695,758,765
Member contributions	(883,659,076)
Administrative expenses	9,042,590
Expected investment return net of investment expenses	(1,458,899,157)
Pension expense related to specific liabilities of individual employers	(403,226)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	201,861,563
Changes in assumptions	(2,256,761,544)
Difference between projected and actual investment earnings on pension plan investments	(933,080,851)
Total pension expense	<u>\$1,133,366,912</u>

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

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 \$143,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability 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. The total pension liability for the June 30, 2020 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the District's proportion was 0.00121% which was an increase of 0.00064% from its proportion measured as of June 30, 2020.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$18,853. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,266	\$ 1,029
Changes of assumptions	748	51,148
Net difference between projected and actual earnings on pension plan investments	-	37,847
Changes in proportion and differences between District contributions and proportionate share of contributions	162,268	24,991
District contributions subsequent to the measurement date	14,203	
Total	<u>\$ 179,485</u>	<u>\$ 115,015</u>

\$14,203 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2022	\$19,585
2023	13,984
2024	9,534
2025	7,167
2026	(3)
Total	<u>\$50,267</u>

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$2,347,583,337	\$1,164,738,169
Collective deferred inflows of resources	7,849,949,467	8,339,123,762
Collective net pension liability (Non State - Local Group)	\$16,307,384,832	\$11,846,496,875
District's portion of net pension liability	\$92,825	\$143,671
District's proportion %	0.00056922%	0.00121277%

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Actuarial assumptions - The collective 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. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00% based on years of service
Therafter	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, 2014 to June 30, 2018.

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 rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (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 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.

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 net pension liability measured as of June 30, 2021, calculated using the discount rate as disclosed above, 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:

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 195,651	\$143,671	\$ 99,559

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	(\$8,130)
Interest on total Pension liability	(31,949)
Member contributions	6,614
Administrative expens	(116)
Expected investment return net of investment expenses	17,430
Pension expense related to specific liabilities of individual employers	81
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	(895)
Changes in assumptions	24,251
Difference between projected and actual investment earnings on pension plan investments	<u>11,565</u>
Total pension expense	<u>\$18,853</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

<u>Three-Year Trend Information for PERS</u>		
Year	Annual Pension Cost (APC)	Percentage of APC Contributed
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>
6/30/2022	\$14,203	100%
6/30/2021	\$6,227	100%
6/30/2020	\$7,386	100%

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>		
Year	Annual Pension Cost (APC)	Percentage of APC Contributed
<u>Funding</u>	<u>Cost (APC)</u>	<u>Contributed</u>
6/30/2022	\$329,443	100 %
6/30/2021	\$248,025	100 %
6/30/2020	\$186,422	100 %

During the fiscal year ended June 30, 2022, the State of New Jersey did contribute \$406,398 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$76,505 during the year ended June 30, 2022, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

Note 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

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

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.

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes The June 30, 2022 GASB 75 reporting is based on a measurement date of June 30, 2021. The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. 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%
Salary Increases Through 2026:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	2.75-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2021)	2.16%
Discount rate (2020)	2.21%
Healthcare cost trend rates (PPO Plans)	5.74%, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (HMO Plans)	6.01%, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (Prescription Drug Benefits)	6.75% and decreases to a 4.5% long-term trend rate after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	5.65%

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

The discount rate for June 30, 2021 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.

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

Changes in the Total OPEB Liability reported by the State of New Jersey

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2020	\$67,809,962,608
<u>Changes for the year:</u>	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Change in Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments	-
Contributions from Members	<u>(1,186,417,186)</u>
Net changes	<u>(7,802,311,638)</u>
The State's Total OPEB Liability Balance at 6/30/2021	<u>\$60,007,650,970</u>

The State's total OPEB liability attributable to the District: \$5,593,742

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

Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2021		
	At 1% Decrease <u>1.16%</u>	At Discount Rate <u>2.16%</u>	At 1% Increase <u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2020		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

	June 30, 2021		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970

	June 30, 2020		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608

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

For the year ended June 30, 2021, the board of education recognized OPEB expense and related revenue of \$115,442 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee’s OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions or other inputs	<u>10,179,536,966</u>	<u>6,438,261,807</u>
Total	<u>\$19,225,423,829</u>	<u>\$24,447,624,783</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	(\$1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	<u>347,612,410</u>
	<u>(\$5,222,200,954)</u>

NOTE 9: DEFERRED COMPENSATION

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

- Aim Fund Services
- The Equitable Financial Co.
- Lincoln Investment Planning Co.
- U.S.A. Life Insurance Co.
- Variable Annuity Life Insurance Co.

NOTE 10: COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are not paid for accrued vacation unless authorized by the Board. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Assets*, the liabilities whose average maturities are greater than one year should be reported in two components--the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the proprietary fund types.

NOTE 11: RISK MANAGEMENT

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

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11: RISK MANAGEMENT - (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	-	\$2,881	\$68	-	\$25,414
2020-2021	-	\$2,669	\$72	\$4,858	\$22,465
2019-2020	-	\$2,631	\$237	-	\$24,582

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

LITIGATION

The Board is not involved in claims and lawsuits incidental to its operations.

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,192,987 General Fund fund balance at June 30, 2022; \$79,971 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended; (\$55,499 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023), \$272 is reserved for encumbrances; \$473,118 is reserved for capital reserve account; \$257,228 is reserved for Maintenance Reserve; \$124,000 is reserve for Emergency Reserve; \$22,465 is reserved for unemployment compensation; \$1,160 has been appropriated and included as anticipated revenue for the year ending June 30, 2022, and \$234,773 is unreserved/ undesignated.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Frelinghuysen Township School District Board of Education by inclusion of \$1 on September 27, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 14: CAPITAL RESERVE ACCOUNT - (Continued)

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 471,846
Interest Earnings	<u>1,272</u>
Ending Balance, June 30, 2022	<u><u>\$ 473,118</u></u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2021, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$ 239,228
Deposits (PL 2007 c.62 (A1)) - June 22, 2022 Resolution	<u>18,000</u>
Ending balance June 30, 2022	<u><u>\$ 257,228</u></u>

NOTE 16: EMERGENCY RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2021, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 1, 2021	\$ 94,000
Deposits (PL 2007 c.62 (A1)) - June 22, 2022 Resolution	<u>30,000</u>
Ending balance June 30, 2022	<u><u>\$ 124,000</u></u>

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$24,472.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General Fund	\$ 31,181	\$ 628
Special Revenue Fund		31,181
Enterprise Fund	<u>628</u>	
	<u><u>\$ 31,809</u></u>	<u><u>\$ 31,809</u></u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES - (Continued)

The special revenue fund interfund owes the general fund for cash advances in anticipation of subsequent federal grant receipts. The general fund owes the enterprise fund for federal and state lunch subsidies received but not yet transferred to the enterprise fund. All interfund balances are expected to be liquidated in the subsequent year.

NOTE 19: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,224,585		\$ 2,224,585	\$ 2,224,585	
Interest Earned on Capital Reserve Funds	100		100	1,272	\$ 1,172
Miscellaneous	26,550		26,550	53,174	26,624
Total - Local Sources	2,251,235		2,251,235	2,279,031	27,796
State Sources:					
Equalization Aid	146,342		146,342	146,342	
Transportation Aid	81,177		81,177	81,177	
Special Education Aid	122,858		122,858	122,858	
Security Aid	12,976		12,976	12,976	
Other State Aid				21,108	21,108
TPAF Pension Contrib. (On-Behalf - Non-Budgeted)				329,372	329,372
TPAF Post Ret. Medical (On-Behalf - Non-Budgeted)				76,955	76,955
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				71	71
TPAF Social Security (Reimbursed - Non-Budgeted)				76,505	76,505
Total State Sources	363,353		363,353	867,364	504,011
TOTAL REVENUES	2,614,588	-	2,614,588	3,146,395	531,807

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	22,393	31,605	53,998	53,998	-
Kindergarten - Salaries of Teachers	60,215	-	60,215	59,940	275
Grades 1-5 - Salaries of Teachers	574,453	(24,374)	550,079	550,079	
Grades 6-8 - Salaries of Teachers	59,754	(6,089)	53,665	53,230	435
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	119,974	(35,674)	84,300	82,862	1,438
Purchased Technical Services	5,000	(4,211)	789		789
Rentals	7,976		7,976	3,170	4,806
Other Purchased Services (400-500 series)	75,000	(33,252)	41,748	41,748	-
General Supplies	25,000	763	25,763	25,398	365
TOTAL REGULAR PROGRAMS - INSTRUCTION	949,765	(71,232)	878,533	870,425	8,108
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	138,961	(10,876)	128,085	125,417	2,668
Total Resource Room/Resource Center	138,961	(10,876)	128,085	125,417	2,668
TOTAL SPECIAL EDUCATION - INSTRUCTION	138,961	(10,876)	128,085	125,417	2,668
TOTAL INSTRUCTION	1,088,726	(82,108)	1,006,618	995,842	10,776

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNDISTRIBUTED EXPENDITURES					
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	3,676	-	3,676	719	2,957
Supplies and Materials	350	1,900	2,250	-	2,250
Total School-Spon. Cocurricular Actvts. - Inst.	4,026	1,900	5,926	719	5,207
Tuition:					
Tuition to Other LEAs Within the Stat - Special	1,500	58,180	59,680	59,680	-
Total Tuition	1,500	58,180	59,680	59,680	-
Health Services:					
Salaries	84,355	-	84,355	83,343	1,012
Purchased Professional and Technical Services	1,700	-	1,700	1,500	200
Supplies and Materials	350	-	350	212	138
Total Health Services	86,405		86,405	85,055	1,350
Other Supp. Services Students-Related Services:					
Purchased Professional - Educational Services	85,855	26,259	112,114	111,270	844
Total Other Supp. Services Students-Related Services	85,855	26,259	112,114	111,270	844
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	-	27,815	27,815	27,815	
Salaries of Secretarial and Clerical Assistants	33,486	(33,486)	-	-	-
Other Purchased Services (400-500 series)	17,936		17,936	16,323	1,613
Total Other Supp. Services Students-Special	51,422	(5,671)	45,751	44,138	1,613
Improvement of Instruction Services:					
Salary of Supervisor of Instruction	21,104		21,104	21,104	-
Salary of Other Professional Staff	4,700	4,700	9,400	4,559	4,841
Salary of Sec and Clerical Assist	4,037		4,037	3,673	364
Total Improvement of Instruction Services	29,841	4,700	34,541	29,336	5,205

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Educational Media Services/School Library:					
Salaries	49,164	(44,866)	4,298	-	4,298
Purchased Professional and Technical Services	4,457		4,457	4,200	257
Supplies and Materials	1,000	-	1,000	-	1,000
Total Educational Media Services/School Library	54,621	(44,866)	9,755	4,200	5,555
Supp. Services - General Administration:					
BOE Other Purchased Services	-	5,539	5,539	-	5,539
Salaries	76,685	(21,104)	55,581	55,379	202
Legal Services	3,500	12,198	15,698	12,103	3,595
Audit	14,101	277	14,378	14,378	
Communications/Telephone	2,800	1,885	4,685	4,664	21
Other Purchased Services (400-500 series)	6,300	1,490	7,790	7,790	
BOE Membership Dues	5,500	(1,717)	3,783	3,312	471
Total Supp. Services - General Administration	108,886	(1,432)	107,454	97,626	9,828
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	49,242	21,104	70,346	70,346	-
Salaries of Secretarial and Clerical Assistants	2,242	-	2,242	2,040	202
Total Support Services - School Administration	51,484	21,104	72,588	72,386	202
Support Services - Central Services:					
Salaries	56,973	(6,062)	50,911	38,581	12,330
Miscellaneous Purchased Services (400-500 series)	1,000	(345)	655	-	655
Other Objects	1,300	8,737	10,037	10,037	-
Total Support Services - Central Services	59,273	2,330	61,603	48,618	12,985
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	50,000	-	50,000	35,227	14,773
General Supplies	15,000	(2,655)	12,345	3,827	8,518
Total Required Maintenance for School Facilities	65,000	(2,655)	62,345	39,054	23,291

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Operations and Maintenance of Plant:					
Salaries	138,413	20,282	158,695	158,695	
Salaries of Non-Instruct Aides	7,944	-	7,944	7,944	
Purchased Professional and Technical Services	35,000	(14,545)	20,455	9,961	10,494
Cleaning, Repair and Maintenance Services	2,000	-	2,000	830	1,170
Other Purchased Property Services	4,700	-	4,700	3,700	1,000
Insurance	57,961	5,545	63,506	63,506	
Miscellaneous Purchased Services	-	-	-	-	
General Supplies	6,000	-	6,000	5,796	204
Energy (Electricity)	28,000	-	28,000	28,000	
Energy (Oil)	40,000	4,420	44,420	44,420	
Other Objects	350	-	350	140	210
Total Other Operations and Maintenance of Plant	320,368	15,702	336,070	322,992	13,078
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	10,000	9,000	19,000	19,000	-
Total Care and Upkeep of Grounds	10,000	9,000	19,000	19,000	-
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	12,507		12,507	11,018	1,489
Contracted Serv. - Aid in Lieu - NonPub School	2,000	1,000	3,000	3,000	-
Contracted Services (Betw. Home and School)-Vendors	87,959	2	87,961	87,961	-
Contrac. Serv.(Other than Bet.Home and School)-Vendors	6,000	(3,686)	2,314	2,225	89
Contracted Services (Betw. Home and School)-Jt Agmt	59,123	602	59,725	59,725	-
Contracted Services Sp ed ESC/CTSA	-	3,082	3,082	3,082	-
Total Student Transportation Services	167,589	1,000	168,589	167,011	1,578

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
ALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	31,709	-	31,709	30,039	1,670
Other Retirement Contributions - PERS	10,000	4,203	14,203	14,203	-
Other Retirement Contributions - Regular (DCRP)	10,000	-	10,000	7,345	2,655
Workmen's Compensation	18,036	-	18,036	17,191	845
Health Benefits	244,861	27,406	272,267	263,816	8,451
Tuition Reimbursement	5,000	(2,761)	2,239	1,878	361
Other Employee Benefits	8,500	6,129	14,629	14,629	-
Total Regular Programs-Instruction	328,106	34,977	363,083	349,101	13,982
Health Services-Employee Benefits:					
Social Security Contributions	500	-	500	-	500
Workmen's Compensation	100	-	100	-	100
Health Benefits	18,250	(15,824)	2,426	-	2,426
Total Health Services-Employee Benefits	18,850	(15,824)	3,026		3,026
Support Services - General Administration:					
Social Security Contributions	500		500	-	500
Workmen's Compensation	850		850	-	850
Total Support Services - General Administration	1,350		1,350		1,350
Support Services - School Administration:					
Social Security Contributions	250	-	250	-	250
Workmen's Compensation	500		500		500
Total Support Services - School Administration	750		750		750
Central Services:					
Workmen's Compensation	350	-	350	-	350
Total Central Services	350		350		350
TOTAL ALLOCATED BENEFITS	349,406	19,153	368,559	349,101	19,458

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS - ON-BEHALF:					
Health Benefits	20,567	(20,567)			-
Total Unallocated Health Benefits	<u>20,567</u>	<u>(20,567)</u>			
UNALLOCATED BENEFITS - ON-BEHALF:					
On-behalf TPAF pension Contrib. (non-budgeted)				329,372	(329,372)
On-behalf TPAF PRM Contrib. (non-budgeted)				76,955	(76,955)
On-behalf TPAF pension LTD Ins. (non-budgeted)				71	(71)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				76,505	(76,505)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>482,903</u>	<u>(482,903)</u>
TOTAL PERSONAL SERVICES-EMPLOYEE BEN.	<u>369,973</u>	<u>(1,414)</u>	<u>368,559</u>	<u>832,004</u>	<u>(463,445)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>1,466,243</u>	<u>84,137</u>	<u>1,550,380</u>	<u>1,933,089</u>	<u>(382,709)</u>
Transfer of Funds to Charter Schools	218,177	-	218,177	218,177	
TOTAL GENERAL CURRENT EXPENSE	<u>2,773,146</u>	<u>2,029</u>	<u>2,775,175</u>	<u>3,147,108</u>	<u>(371,933)</u>
Equipment:					
Undistributed Expenditures - Required for Sch. Maintenance		2,832	2,832	2,832	
Undistributed Expenditures - Security		20,000	20,000		20,000
Total Equipment		<u>22,832</u>	<u>22,832</u>	<u>2,832</u>	<u>20,000</u>
Facilities Acquisition and Construction Services:					
Construction Services		28,468	28,468	28,468	
Total Facilities Acquisition and Construction Services		<u>28,468</u>	<u>28,468</u>	<u>28,468</u>	
TOTAL CAPITAL OUTLAY		<u>51,300</u>	<u>51,300</u>	<u>31,300</u>	<u>20,000</u>

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL EXPENDITURES	2,773,146	53,329	2,826,475	3,178,408	(351,933)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,558)	(53,329)	(211,887)	(32,013)	179,874
Other Financing Sources:					
Operating Transfer In/(Out)					
Transfer to Food Service Fund		(3,973)	(3,973)	(3,973)	-
Total Other Financing Sources:	-	(3,973)	(3,973)	(3,973)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(158,558)	(57,302)	(215,860)	(35,986)	179,874
Fund Balance, July 1	1,265,308		1,265,308	1,265,308	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	1,265,308		1,265,308	1,265,308	
Fund Balance, June 30	\$ 1,106,750	\$ (57,302)	\$ 1,049,448	\$ 1,229,322	\$ 179,874

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 473,118	
Maintenance Reserve				257,228	
Emergency Reserve				124,000	
Excess Surplus-Designated for Subsequent Year's Expenditures				55,499	
Excess Surplus				24,472	
Unemployment Compensation				22,465	
Assigned to:					
Designated for Subsequent Year's Expenditures				1,160	
Year End Encumbrances				272	
Unassigned:					
Unrestricted Fund Balance				<u>271,108</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>1,229,322</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(36,335)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,192,987</u>	

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
State Sources		\$ 3,244	\$ 3,244	\$ 3,244	-
Federal Sources	\$ 60,316	407,692	468,008	138,934	\$ (329,074)
Total Revenues	60,316	410,936	471,252	142,178	(329,074)
EXPENDITURES:					
Instruction					
Salaries		2,394	2,394	2,394	
Other Purchased Services	500	242,121	242,621	14,197	228,424
Tuition	29,215	4,254	33,469	33,469	
General Supplies	5,543	9,804	15,347	15,347	
Total Instruction	35,258	258,573	293,831	65,407	228,424
Support Services					
Other Salaries		28,000	28,000	28,000	
Purchased Professional Education Serv.	25,058	(7,455)	17,603	17,603	
Facilities		129,652	129,652	29,002	100,650
Supplies and Materials		2,166	2,166	2,166	
Total Support Services	25,058	152,363	177,421	76,771	100,650
Total Expenditures	60,316	410,936	471,252	142,178	329,074
Total Outflows	\$ 60,316	410,936	\$ 471,252	\$ 142,178	\$ 329,074
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					
Fund Balance per Governmental Funds(Budgetary Basis)					None
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis					<u>None</u>
Fund Balance per Governmental Funds(GAAP Basis)					<u>None</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2022

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 3,146,395	\$ 142,178
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	7,878
Current Year Encumbrances	N/A	(675)
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	46,315	N/A
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<hr/> (36,335)	<hr/> N/A
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<hr/> <u>\$ 3,156,375</u>	<hr/> <u>\$ 149,381</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 3,178,408	\$ 142,178
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	7,878
Current Year Encumbrances	N/A	(675)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<hr/> <u>\$ 3,178,408</u>	<hr/> <u>\$ 149,381</u>

Frelinghuysen School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 4,023,494	\$ 5,493,864	\$ 4,443,428	\$ 7,423,986	\$ 7,699,343	\$ 8,804,278	\$ 8,162,806	\$ 6,906,616	\$ 6,099,606	
Total	\$ 4,023,494	\$ 5,493,864	\$ 4,443,428	\$ 7,423,986	\$ 7,699,343	\$ 8,804,278	\$ 8,162,806	\$ 6,906,616	\$ 6,099,606	
District's covered employee payroll	\$ 1,058,220	\$ 958,722	\$ 873,664	\$ 881,102	\$ 777,133	\$ 935,428	\$ 1,238,787	\$ 1,179,395	\$ 1,302,924	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

Exhibit L-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0012128%	0.0005692%	0.0007505%	0.0007419%	0.0000000%	0.0000000%	0.0005447%	0.0009210%	0.0013193%	
District's proportionate share of the net pension liability (asset)	\$ 143,671	\$ 92,825	\$ 135,226	\$ 146,086	-	-	\$ 122,275	\$ 172,446	\$ 252,153	
District's covered employee payroll	\$ 91,004	\$ 91,417	\$ 76,933	\$ 41,188	\$ 43,405	\$ 30,652	\$ 237,523	\$ 225,451	\$ 199,903	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	157.87%	101.54%	175.77%	354.68%	0.00%	0.00%	51.48%	76.49%	126.14%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%	

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

Frelinghuysen School District
 Required Supplementary Information - Part III
 Schedule of District Contributions
 Last Ten Fiscal Years *

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 1,058,220	\$ 958,722	\$ 873,664	\$ 881,102	\$ 777,133	\$ 935,428	\$ 1,238,787	\$ 1,179,395	\$ 1,302,924	
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 14,203	\$ 6,227	\$ 7,386	7,488	-	-	\$ 4,683	\$ 8,103	\$ 9,941	
Contributions in relation to the contractually required contribution	(14,203)	(6,227)	(7,386)	(7,488)	-	-	(4,683)	(8,103)	(9,941)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 91,004	\$ 91,417	\$ 76,933	\$ 41,188	\$ 43,405	\$ 30,652	\$ 237,523	\$ 225,451	\$ 199,903	
Contributions as a percentage of covered-employee payroll	15.61%	6.81%	9.60%	18.18%	0.00%	0.00%	1.97%	3.59%	4.97%	

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

Frelinghuysen Township School District
 Required Supplementary Information - Part III
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years *

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Service Cost	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319				
Interest	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792				
Change in Benefit Terms	-63870842									
Differences Between Expected and Actual Experience	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)						
Benefit Payments	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)				
Contributions from Members	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747				
Changes of Assumptions or other inputs	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521				
Net change in total OPEB liability	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360				
Total OPEB Liability - Beginning	\$ 67,809,962,608	\$41,729,081,045	\$46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824				
Total OPEB Liability - Ending	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's total OPEB liability **	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's OPEB liability attributable to the District **	\$ 5,593,742	\$ 6,635,683	\$ 4,492,395	\$ 5,207,922	\$ 6,170,365	\$ 6,664,905				
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero				
District's covered employee payroll	\$ 1,149,224	\$ 1,050,139	\$ 950,597	\$ 922,290	\$ 820,538	\$ 966,080				
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
District's contribution	None	None	None	None	None	None				
State's covered employee payroll ***	\$ 14,425,669,769	\$14,267,738,657	\$13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208				
Total State's OPEB liability as a percentage of its covered-employee payroll	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%				

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2020 and June 30, 2021 is based on the payroll on the June 30, 2019 and June 30, 2020 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

FRELINGHUYSEN SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. 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.

Changes of assumptions. 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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2022

	Title IV	IDEA Basic	IDEA Preschool	ARP Beyond Sch. Day	CRRSA ESSER II	CRRSA Learning	CRRSA Mental H	REAP	SDA Emergent & Capital	Totals
REVENUES										
State Sources									\$ 3,244	\$ 3,244
Federal Sources	\$ 8,800	\$ 33,469	\$ 2,935	\$ 3,515	\$ 28,231	\$ 2,394	\$ 32,897	\$ 26,693		138,934
TOTAL REVENUES	8,800	33,469	2,935	3,515	28,231	2,394	32,897	26,693	3,244	142,178
EXPENDITURES:										
Instruction:										
Salaries						2,394				2,394
Other Purchased Services	8,800		500				4,897			14,197
Tuition		33,469								33,469
General Supplies				3,515	307			11,525		15,347
Total Instruction	8,800	33,469	500	3,515	307	2,394	4,897	11,525	-	65,407
Support Services:										
Other Salaries							28,000			28,000
Purchased Professional Education Serv.			2,435					15,168		17,603
Facilities					25,758				3,244	29,002
Supplies and Materials					2,166					2,166
Total Support Services	-	-	2,435	-	27,924	-	28,000	15,168	3,244	76,771
TOTAL EXPENDITURES	\$ 8,800	\$ 33,469	\$ 2,935	\$ 3,515	\$ 28,231	\$ 2,394	\$ 32,897	\$ 26,693	\$ 3,244	\$ 142,178
Total Outflows	\$ 8,800	\$ 33,469	\$ 2,935	\$ 3,515	\$ 28,231	\$ 2,394	\$ 32,897	\$ 26,693	\$ 3,244	\$ 142,178
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)										

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

<p style="text-align: center;">FIDUCIARY FUND DETAIL STATEMENTS</p>
--

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

The District has no outstanding debt issues.

Frelinghuysen Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	84-89
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	90-93
Debt Capacity (J-10 thru J-13) 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.	94-97
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	98-99
Operating Information (J-16 thru J-20) 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.	100-104

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Frelinghuysen Township School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022		
Governmental activities																							
Invested in capital assets, net of related debt	\$	831,768	\$	746,894	\$	690,820	\$	643,813	\$	570,004	\$	385,719	\$	317,291	\$	248,863	\$	253,477	\$	189,562			
Restricted		281,132		160,874		137,182		137,515		164,812		303,490		490,131		743,738		976,846		957,942			
Unrestricted		4,284		57,718		(140,199)		(103,582)		(26,071)		40,656		64,055		118,818		119,721		114,474			
Total governmental activities net position	\$	1,117,184	\$	965,486	\$	687,803	\$	677,746	\$	708,745	\$	729,865	\$	871,477	\$	1,111,419	\$	1,350,044	\$	1,261,978			
Business-type activities																							
Invested in capital assets, net of related debt																							-
Restricted																							-
Unrestricted	\$	5,194	\$	4,394	\$	1,055	\$	(629)	\$	1,595	\$	1,719	\$	2,437	\$	1,860	\$	1,825	\$	3,435			
Total business-type activities net position	\$	5,194	\$	4,394	\$	1,055	\$	(629)	\$	1,595	\$	1,719	\$	2,437	\$	1,860	\$	1,825	\$	3,435			
District-wide																							
Invested in capital assets, net of related debt	\$	831,768	\$	746,894	\$	690,820	\$	643,813	\$	570,004	\$	385,719	\$	317,291	\$	248,863	\$	253,477	\$	189,562			
Restricted		281,132		160,874		137,182		137,515		164,812		303,490		490,131		743,738		976,846		957,942			
Unrestricted		9,478		62,112		(139,144)		(104,211)		(24,476)		42,375		66,492		120,678		121,546		117,909			
Total district net position	\$	1,122,378	\$	969,880	\$	688,858	\$	677,117	\$	710,340	\$	731,584	\$	873,914	\$	1,113,279	\$	1,351,869	\$	1,265,413			

Source: ACFR Schedule A-1

Frelinghuysen Township School District
Changes in Net Position, Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,487,661	\$ 1,521,310	\$ 1,758,444	\$ 1,865,413	\$ 2,008,575	\$ 1,708,181	\$ 1,573,502	\$ 1,361,598	\$ 1,593,947	\$ 1,642,922
Special education	271,958	194,316	186,889	235,903	189,801	229,722	248,864	200,004	161,497	151,997
Other special education	3,902	-	-	-	-	-	4,534	-	-	-
Support Services:										
Tuition	22,007	-	9,069	-	-	56,060	14,687	1,500	-	59,680
Student & instruction related services	296,342	319,729	331,620	305,571	375,832	487,582	445,761	402,782	450,404	432,592
General administrative services	266,520	269,585	306,738	314,450	327,607	254,331	266,074	227,044	229,010	177,238
School administrative services	96,642	99,955	113,374	118,969	142,334	100,100	101,330	81,030	76,707	87,727
Business administrative services										
Plant operations and maintenance	300,574	370,080	327,947	364,481	325,681	405,031	418,873	389,356	428,233	465,234
Pupil transportation	130,581	139,168	139,354	132,442	143,993	185,528	173,106	156,279	153,648	167,011
Interest on long-term debt	5,652									
Unallocated depreciation	8,487	8,487	9,207	9,885	11,137	6,843	6,843	6,843	8,669	9,238
Total governmental activities expenses	<u>2,890,326</u>	<u>2,922,630</u>	<u>3,182,642</u>	<u>3,347,114</u>	<u>3,524,960</u>	<u>3,433,378</u>	<u>3,253,574</u>	<u>2,826,436</u>	<u>3,102,115</u>	<u>3,193,639</u>
Business-type activities:										
Food service	57,442	53,376	53,807	56,815	58,483	59,517	49,326	35,888	31,960	65,311
Total business-type activities expense	<u>57,442</u>	<u>53,376</u>	<u>53,807</u>	<u>56,815</u>	<u>58,483</u>	<u>59,517</u>	<u>49,326</u>	<u>35,888</u>	<u>31,960</u>	<u>65,311</u>
Total district expenses	<u>\$ 2,947,768</u>	<u>\$ 2,976,006</u>	<u>\$ 3,236,449</u>	<u>\$ 3,403,929</u>	<u>\$ 3,583,443</u>	<u>\$ 3,492,895</u>	<u>\$ 3,302,900</u>	<u>\$ 2,862,324</u>	<u>\$ 3,134,075</u>	<u>\$ 3,258,950</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
Operating grants and contributions	1,003,062	906,998	1,249,103	1,371,541	1,521,249	1,548,794	1,286,703	905,084	1,169,221	830,515
Capital grants and contributions										
Total governmental activities program revenues	<u>1,003,062</u>	<u>906,998</u>	<u>1,249,103</u>	<u>1,371,541</u>	<u>1,521,249</u>	<u>1,548,794</u>	<u>1,286,703</u>	<u>905,084</u>	<u>1,169,221</u>	<u>830,515</u>
Business-type activities:										
Charges for services										
Food service	39,132	42,570	35,370	40,375	37,418	37,834	34,044	19,496	1,214	8,071
Operating grants and contributions	12,701	9,999	13,425	14,011	14,774	13,968	9,382	5,493	25,710	54,869
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>51,833</u>	<u>52,569</u>	<u>48,795</u>	<u>54,386</u>	<u>52,192</u>	<u>51,802</u>	<u>43,426</u>	<u>24,989</u>	<u>26,924</u>	<u>62,940</u>
Total district program revenues	<u>\$ 1,054,895</u>	<u>\$ 959,567</u>	<u>\$ 1,297,898</u>	<u>\$ 1,425,927</u>	<u>\$ 1,573,441</u>	<u>\$ 1,600,596</u>	<u>\$ 1,330,129</u>	<u>\$ 930,073</u>	<u>\$ 1,196,145</u>	<u>\$ 893,455</u>
Net (Expense)/Revenue										
Governmental activities	\$ (1,887,264)	\$ (2,015,632)	\$ (1,933,539)	\$ (1,975,573)	\$ (2,003,711)	\$ (1,884,584)	\$ (1,966,871)	\$ (1,921,352)	\$ (1,932,894)	\$ (2,363,124)
Business-type activities	(5,609)	(807)	(5,012)	(2,429)	(6,291)	(7,715)	(5,900)	(10,899)	(5,036)	(2,371)
Total district-wide net expense	<u>\$ (1,892,873)</u>	<u>\$ (2,016,439)</u>	<u>\$ (1,938,551)</u>	<u>\$ (1,978,002)</u>	<u>\$ (2,010,002)</u>	<u>\$ (1,892,299)</u>	<u>\$ (1,972,771)</u>	<u>\$ (1,932,251)</u>	<u>\$ (1,937,930)</u>	<u>\$ (2,365,495)</u>

Continued

Frelinghuysen Township School District
Changes in Net Position, Last Nine Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,788,289	\$ 1,845,608	\$ 1,882,520	\$ 1,942,041	\$ 1,980,881	\$ 2,022,499	\$ 2,060,909	\$ 2,102,128	\$ 2,144,171	\$ 2,224,585
Taxes levied for debt service	130,712									
Investment earnings	1,199	691	510	1,293	3,048	7,045	12,985	10,362	3,742	3,810
Miscellaneous income	6,594	17,635	18,382	22,182	59,267	12,304	41,145	34,471	28,606	50,636
Transfers			(1,000)		(8,486)	(7,800)	(6,556)	(10,249)	(5,000)	(3,973)
Total governmental activities	<u>1,926,794</u>	<u>1,863,934</u>	<u>1,900,412</u>	<u>1,965,516</u>	<u>2,034,710</u>	<u>2,032,048</u>	<u>2,108,483</u>	<u>2,136,712</u>	<u>2,171,519</u>	<u>2,275,058</u>
Business-type activities:										
Miscellaneous Income	5,476	7	673	745	29	39	62	73	1	8
Transfers	-	-	1,000	-	8,486	7,800	6,556	10,249	5,000	3,973
Total business-type activities	<u>5,476</u>	<u>7</u>	<u>1,673</u>	<u>745</u>	<u>8,515</u>	<u>7,839</u>	<u>6,618</u>	<u>10,322</u>	<u>5,001</u>	<u>3,981</u>
Total district-wide	<u>\$ 1,932,270</u>	<u>\$ 1,863,941</u>	<u>\$ 1,902,085</u>	<u>\$ 1,966,261</u>	<u>\$ 2,043,225</u>	<u>\$ 2,039,887</u>	<u>\$ 2,115,101</u>	<u>\$ 2,147,034</u>	<u>\$ 2,176,520</u>	<u>\$ 2,279,039</u>
Change in Net Position										
Governmental activities	\$ 39,530	\$ (151,698)	\$ (33,127)	\$ (10,057)	\$ 30,999	\$ 147,464	\$ 141,612	\$ 215,360	\$ 238,625	\$ (88,066)
Business-type activities	(133)	(800)	(3,339)	(1,684)	2,224	124	718	(577)	(35)	1,610
Total district	<u>\$ 39,397</u>	<u>\$ (152,498)</u>	<u>\$ (36,466)</u>	<u>\$ (11,741)</u>	<u>\$ 33,223</u>	<u>\$ 147,588</u>	<u>\$ 142,330</u>	<u>\$ 214,783</u>	<u>\$ 238,590</u>	<u>\$ (86,456)</u>

Source: ACFR Schedule A-2

Frelinghuysen Township School District
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022			
General Fund																								
Reserved	\$ 281,132		\$ 160,874		\$ 137,182		\$ 155,955		\$ 166,455		\$ 323,718		\$ 512,504		\$ 799,726		\$ 1,014,148		\$ 958,214					
Unreserved	105,972		151,706		190,950		189,002		189,194		191,413		193,487		197,083		204,845		234,773					
Total general fund	<u>\$ 387,104</u>		<u>\$ 312,580</u>		<u>\$ 328,132</u>		<u>\$ 344,957</u>		<u>\$ 355,649</u>		<u>\$ 515,131</u>		<u>\$ 705,991</u>		<u>\$ 996,809</u>		<u>\$ 1,218,993</u>		<u>\$ 1,192,987</u>					
All Other Governmental Funds																								
Reserved																								
Unreserved, reported in:																								
Special revenue fund																								
Capital projects fund																								
Debt service fund	\$ 1																							
Permanent fund																								
Total all other governmental funds	<u>1</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	

Source: ACFR Schedule B-1

**Frelinghuysen Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Tax levy	\$ 1,919,001	\$ 1,845,608	\$ 1,882,520	\$ 1,942,041	\$ 1,980,881	\$ 2,022,499	\$ 2,060,909	\$ 2,102,128	\$ 2,144,171	\$ 2,224,585
Tuition charges	-	-	-	-	-	-	-	-	-	-
Interest earnings	168	126	80	99	651	1,428	2,125	2,246	916	1,272
Miscellaneous	7,625	18,200	18,812	23,376	61,664	17,921	52,005	42,587	31,432	53,174
State sources	935,915	844,460	885,767	901,217	926,657	968,774	862,402	860,837	866,351	880,588
Federal sources	67,147	62,538	61,518	62,577	62,965	56,593	59,139	54,109	110,755	146,137
Total revenue	<u>2,929,856</u>	<u>2,770,932</u>	<u>2,848,697</u>	<u>2,929,310</u>	<u>3,032,818</u>	<u>3,065,215</u>	<u>3,036,580</u>	<u>3,061,907</u>	<u>3,153,625</u>	<u>3,305,756</u>
Expenditures										
Instruction										
Regular Instruction	1,218,477	1,253,892	1,299,362	1,318,584	1,356,257	1,098,378	1,128,383	1,091,489	1,118,826	1,286,681
Special education instruction	236,713	169,916	146,905	180,542	140,472	155,996	187,020	168,289	120,632	125,417
Other special instruction	3,396	-	-	-	-	-	3,407	-	-	-
Support Services:										
Tuition	22,007	-	9,069	-	-	56,060	14,687	1,500	-	59,680
Student & instruction related services	257,937	279,581	260,671	255,015	299,459	331,099	334,987	338,912	336,435	356,944
General administrative services	231,980	235,733	241,112	240,656	242,463	172,707	190,843	187,191	171,062	146,244
School Administrative services	84,117	87,404	89,118	91,050	105,342	67,974	76,149	68,181	57,297	72,386
Business administrative services	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	261,620	323,609	257,784	278,946	241,037	275,042	314,781	327,615	319,874	381,046
Pupil transportation	130,581	139,168	139,354	132,442	143,993	185,528	173,106	156,279	153,648	167,011
Unallocated employee benefits	263,724	231,334	267,411	283,201	307,529	381,841	295,791	341,150	416,525	482,903
Special Revenue										
Charter Schools	90,268	124,819	85,359	80,204	129,324	162,821	110,900	100,966	140,839	218,177
Capital outlay	-	-	36,000	51,845	47,764	10,487	9,110	3,850	91,303	31,300
Debt service:										
Principal	185,000	-	-	-	-	-	-	-	-	-
Interest and other charges	10,823	-	-	-	-	-	-	-	-	-
Total expenditures	<u>2,996,643</u>	<u>2,845,456</u>	<u>2,832,145</u>	<u>2,912,485</u>	<u>3,013,640</u>	<u>2,897,933</u>	<u>2,839,164</u>	<u>2,785,422</u>	<u>2,926,441</u>	<u>3,327,789</u>
Excess (Deficiency) of revenues over (under) expenditures	(66,787)	(74,524)	16,552	16,825	19,178	167,282	197,416	276,485	227,184	(22,033)
Other Financing Sources (uses)										
Transfers in										
Transfers out	-	-	(1,000)	-	(8,486)	(7,800)	(6,556)	(10,249)	(5,000)	(3,973)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>(8,486)</u>	<u>(7,800)</u>	<u>(6,556)</u>	<u>(10,249)</u>	<u>(5,000)</u>	<u>(3,973)</u>
Net change in fund balances	<u>\$ (66,787)</u>	<u>\$ (74,524)</u>	<u>\$ 15,552</u>	<u>\$ 16,825</u>	<u>\$ 10,692</u>	<u>\$ 159,482</u>	<u>\$ 190,860</u>	<u>\$ 266,236</u>	<u>\$ 222,184</u>	<u>\$ (26,006)</u>
Debt service as a percentage of noncapital expenditures	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Funds</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 1,030			\$ 168	\$ 6,825	\$ (230)	\$ 7,793
2014	691	\$ 332	\$ 5,616		11,425	262	18,326
2015	510		7,925	80	7,800	2,577	18,892
2016	1,194		15,760	99	5,900	522	23,475
2017	2,397	2,074	49,248	651	7,800	145	62,315
2018	5,617	193	-	1,428	11,700	411	19,349
2019	10,860		17,750	2,125	3,900	19,495	54,130
2020	8,116	13,471	16,950	2,246	4,050	-	44,833
2021	2,826	881	15,825	916	11,900	-	32,348
2022	2,538		39,477	1,272	8,400	2,759	54,446

SOURCE: District Records

**Frelinghuysen Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2013	\$5,723,800	\$190,139,800	\$74,683,500	\$2,411,900	\$19,532,578	\$322,262,605	\$29,125,840	\$645,187	\$293,136,765	\$0.655	\$319,671,008
2014	5,515,900	191,028,400	74,521,500	2,385,200	19,708,678	324,444,214	30,688,540	595,996	293,755,674	0.628	328,448,574
2015	5,309,800	190,137,200	74,509,500	2,359,900	19,695,878	323,297,669	30,688,540	596,851	292,609,129	0.643	295,544,328
2016	5,725,100	189,281,500	74,232,400	2,348,200	19,375,178	323,025,633	31,577,140	486,115	291,448,493	0.666	291,646,351
2017	5,132,100	192,084,000	71,205,900	2,319,300	19,375,178	323,128,524	32,544,540	467,506	290,583,984	0.668	276,619,093
2018	4,860,300	191,901,400	72,260,200	2,306,800	19,375,178	323,715,924	32,544,540	467,506	291,171,384	0.694	278,427,549
2019	4,335,500	192,630,300	71,003,900	2,305,000	19,616,678	323,375,740	32,974,040	510,322	290,401,700	0.723	276,716,136
2020	3,893,900	191,930,400	72,006,600	2,264,400	19,581,578	323,612,519	33,421,400	514,241	290,191,119	0.724	287,386,828
2021	3,814,900	192,315,500	71,001,200	2,375,600	19,515,178	323,134,359	33,597,740	514,241	289,536,619	0.741	285,112,709
2022	4,191,800	192,518,000	70,809,500	2,351,600	19,415,178	324,214,359	34,414,040	514,241	289,800,319	0.768	279,243,888

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Frelinghuysen Township School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Frelinghuysen Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional High School District	Frelinghuysen Township	Warren County	
2013	\$0.588	\$0.067	\$0.655	\$0.641	\$0.194	\$0.730	\$2.220
2014	0.628	0.000	0.628	0.729	0.197	0.797	2.351
2015	0.643	0.000	0.643	0.739	0.227	0.832	2.441
2016	0.666	0.000	0.666	0.755	0.243	0.776	2.440
2017	0.668	0.000	0.668	0.718	0.247	0.724	2.357
2018	0.694	0.000	0.694	0.742	0.250	0.728	2.414
2019	0.723	0.000	0.723	0.749	0.277	0.695	2.444
2020	0.724	0.000	0.724	0.771	0.304	0.702	2.501
2021	0.741	0.000	0.741	0.755	0.315	0.691	2.502
2022	0.768	0.000	0.768	0.662	0.315	0.672	2.417

Source: District Records and Municipal Tax Collector

Note:

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

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

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

**Frelinghuysen Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2022			2012		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TI Properties, LLC	\$ 11,482,000	1	3.96%			
845 Frelinghuysen, LLC	1,783,800	2	0.62%	\$ 856,600	3	0.53%
Individual Taxpayer #1	1,412,100	3	0.49%	770,100	5	0.48%
Individual Taxpayer #2	1,306,100	4	0.45%	658,300	8	0.41%
Individual Taxpayer #3	1,116,300	5	0.39%	493,100	10	0.31%
Individual Taxpayer #4	988,400	6	0.34%			
Weidner Family Partnership, LP	928,800	7	0.32%			
Individual Taxpayer #5	856,300	8	0.30%			
Individual Taxpayer #6	813,300	9	0.28%			
Individual Taxpayer #7	811,300	10	0.28%			
Westbrook Realty				987,300	1	0.61%
Terra Co. LLC				900,600	2	0.56%
Forest Manor Retirement Home, Inc.				786,500	4	0.49%
Beyond Hope LLC				728,800	6	0.45%
Jamar Realty Ltd.				690,500	7	0.43%
United Telephone Co. of NJ, Inc.				567,746	9	0.35%
	<u>\$ 21,498,400</u>		<u>7.42%</u>	<u>\$ 7,439,546</u>		<u>4.62%</u>

Source: District ACFR & Municipal Tax Assessor

**Frelinghuysen Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$1,788,289	\$1,788,289	100.00%	-
2014	\$1,845,608	\$1,845,608	100.00%	-
2015	\$1,882,520	\$1,882,520	100.00%	-
2016	\$1,942,041	\$1,942,041	100.00%	-
2017	\$1,980,881	\$1,980,881	100.00%	-
2018	\$2,022,499	\$2,022,499	100.00%	-
2019	\$2,060,909	\$2,060,909	100.00%	-
2020	\$2,102,128	\$2,102,128	100.00%	-
2021	\$2,144,171	\$2,144,171	100.00%	-
2022	\$2,224,585	\$2,224,585	100.00%	-

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

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

**Frelinghuysen Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2014	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2015	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2016	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2017	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2018	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2019	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2020	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2021	-	-0-	-0-	-0-	-0-	-	0.00%	-	
2022	-	-0-	-0-	-0-	-0-	-	0.00%	-	

Source: District ACFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Frelinghuysen Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	-	-0-	-	0.00%	-
2014	-	-0-	-	0.00%	-
2015	-	-0-	-	0.00%	-
2016	-	-0-	-	0.00%	-
2017	-	-0-	-	0.00%	-
2018	-	-0-	-	0.00%	-
2019	-	-0-	-	0.00%	-
2020	-	-0-	-	0.00%	-
2021	-	-0-	-	0.00%	-
2022	-	-0-	-	0.00%	-

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

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

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

* Current data unavailable

**Frelinghuysen Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2022**

Exhibit J-12

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Frelinghuysen Township	\$ 1,961,341	100.00%	\$ 1,961,341
Other debt			
Warren County	1,305,000	2.46%	32,092
Subtotal, overlapping debt			1,993,433
Frelinghuysen Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 1,993,433</u></u>

Sources: Frelinghuysen Township Finance Officer, Warren County Finance Office and Utility Authorities

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

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

**Frelinghuysen Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	2,226	\$ 105,518,336	\$47,223 R	5.40%
2014	2,212	\$ 108,306,816	\$48,887 R	4.60%
2015	2,206	\$ 111,967,296	\$50,741 R	4.40%
2016	2,203	\$ 113,181,200	\$51,503 R	4.30%
2017	2,193	\$ 117,179,359	\$53,149 R	3.80%
2018	2,183	\$ 116,804,642	\$54,973 R	3.90%
2019	2,180	\$ 116,590,518	\$56,956 R	3.20%
2020	2,177	\$ 121,814,034	\$60,525 R	8.40%
2021	2,174	\$ 125,774,596	\$60,525 *	4.70%
2022	2,222	\$ 134,486,550	\$60,525 *	*

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

R Revised

* Current data unavailable

**Frelinghuysen Township School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

N/A

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>(Optional)</u>	<u>Total</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Total</u>
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

No reliable information is available at the local or county level.

**Frelinghuysen Township School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	12	10	11	11	11	11	9	10	10	11
Special education	4	4	3	3	5	5	9	6	6	6
Support Services:										
Student & instruction related services	1	1	1	1	1	1	2	2	2	2
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	2	2	2	2	1	1	1	1	1	1
Business administrative services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	0	0	0	0	2	2	2	3	3	3
Total	21	19	19	19	22	22	25	24	24	25

Source: District Personnel Records

**Frelinghuysen Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary				
2013	155	\$2,710,552	\$ 17,487	17.60%	21	1:7.4	153.4	147.4	-8.84%	96.1%
2014	154	\$2,720,637	\$ 17,666	1.02%	19	1:8.1	153.4	146.4	-0.68%	95.4%
2015	154	\$2,710,786	\$ 17,603	-0.36%	19	1:8.1	152.64	145.6	-0.56%	95.4%
2016	154	\$2,780,436	\$ 17,603	0.00%	19	1:8.4	157.96	149.6	2.75%	94.7%
2017	151	\$2,836,552	\$ 18,785	6.72%	15	1:9.9	149.4	142.4	-4.81%	95.3%
2018	141	\$2,724,625	\$ 19,324	2.87%	15	1:9.4	140.0	134.2	-5.76%	95.9%
2019	149	\$2,719,154	\$ 18,249	-5.56%	15	1:9.9	145.6	139.5	3.95%	95.8%
2020	137	\$2,680,606	\$ 19,566	7.22%	15	1:9.1	135.0	131.0	-6.09%	97.0%
2021	130	\$2,694,299	\$ 20,725	5.92%	15	1:8.7	126.0	122.0	-6.87%	96.8%
2022	129	\$3,078,312	\$ 23,863	15.14%	12	1:10.8	129.3	122.5	0.41%	94.7%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

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

**Frelinghuysen Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

<u>District Building</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Elementary</u>										
Frelinghuysen School (1954)										
Square Feet (Floor area)	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650
Capacity (students)	374	374	374	374	374	374	374	374	374	374
Enrollment	155	154	154	154	151	141	149	137	130	129

Number of Schools at June 30, 2022

Source: District records, ASSA

Elementary = 1

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2022

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Elementary School - Grades K through 6	N/A	\$70,369	\$121,132	\$63,255	\$87,314	\$36,166	\$48,438	\$91,373	\$73,685	\$78,424	\$ 39,054	\$709,210
Total School Facilities		70,369	121,132	63,255	87,314	36,166	48,438	91,373	73,685	78,424	39,054	709,210
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		\$70,369	\$121,132	\$63,255	\$87,314	\$36,166	\$48,438	\$91,373	\$73,685	\$78,424	\$39,054	\$709,210

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2022

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
COMPREHENSIVE PACKAGE POLICY - School Alliance Insurance Fund		
Property-Blanket Building and Contents		
Warren/Hunterdon Insurance Pool Limit	\$ 500,000,000	\$ 2,500
Crime and Fidelity	50,000	1,000
Comprehensive General Liability:		
Occurrence Limit	5,000,000	None
Comprehensive Automobile Liability	5,000,000	None
Workers' Compensation	5,000,000	1,000
Environmental Impairment Liability	1,000,000	10,000
School Leaders Professional Liability	5,000,000	5,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance Company		
Treasurer of School Monies	140,000	

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

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

Honorable President and
 Members of the Board of Education
 Frelinghuysen Township School District
 County of Warren
 Johnsonburg, New Jersey 07846

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Frelinghuysen Township School District Board of Education in the County of Warren, 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 Frelinghuysen Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 20, 2023.

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.

-Continued-

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

Compliance and Other Matters

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

Ardito & Company LLC

ARDITO & COMPANY LLC

January 20, 2023

Anthony Ardito

Anthony Ardito

Licensed Public School Accountant No. 2369



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
 Frenchtown, New Jersey 08825-1192
 908-996-4711 Fax: 908-996-4688
 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Frelinghuysen Township School District
 County of Warren
 Johnsonburg, New Jersey 07846

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Frelinghuysen Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2022. The Frelinghuysen Township School District 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 Frelinghuysen Township School District Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Frelinghuysen Township School District 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Frelinghuysen Township School District 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 the District's state programs.

-Continued-

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

-Continued-

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2021	Carryover/Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2022			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Dept. of Education Passed-Through State Dept. of Ed.:																
Special Revenue Fund:																
Title II (A)	84.367A	S367B210027	N/A	2,814	7/1/21	6/30/22	\$ (723)		-	-			\$ (3,537)	\$ 2,814		-
Title IV	84.424A	S424A210031	N/A	10,000	7/1/21	6/30/22	-		\$ 8,800	\$ (8,800)			(1,200)	1,200		\$ 8,800
Rural Education Achievement Prog.	84.358A	S358B200030	S358A200799	28,888	7/1/20	6/30/21	(3,567)		9,762	(6,195)						28,888
Rural Education Achievement Prog.	84.358A	S358B210030	S358A212858	28,229	7/1/21	6/30/22			9,823	(20,498)			(18,406)	7,731		20,498
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	N/A	33,469	7/1/21	6/30/22			33,469	(33,469)						33,469
I.D.E.A. Part B, Preschool	84.173	H173A210114	N/A	3,225	7/1/21	6/30/22			2,407	(2,935)			(818)	290		2,935
American Rescue Plan-IDEA Basic	84.027X	H027X210100	ARP IDEA	5,622	3/13/20	9/30/24	-		-	-			(5,622)	5,622		
American Rescue Plan-IDEA Preschool	84.173X	H173X210114	ARP IDEA PS	480	3/13/20	9/30/24	-		-	-			(480)	480		
Special Education Cluster							-	-	35,876	(36,404)	-	-	(6,920)	6,392	-	36,404
American Rescue Plan-ESSER III	84.425U	S425U210027	ARP	100,650	3/13/20	9/30/24	-	-	-	-			(100,650)	100,650		
American Rescue Plan-Accel. Learn. Coaching & Ed. Suppor	84.425U	S425U210027	ARP	50,000	3/13/20	9/30/24	-	-	-	-			(50,000)	50,000		
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-	-	-	-			(40,000)	40,000		
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-	-	(3,515)	-			(40,000)	36,485		3,515
American Rescue Plan-NJTSS Mental Health Support Staffin	84.425U	S425U210027	ARP	45,000	3/13/20	9/30/24	-	-	-	-			(45,000)	45,000		
CRRSA ESSER II	84.425D	S425D210027	CRRSA	44,784	3/13/20	9/30/23	(5,918)		26,269	(28,231)			(18,515)	10,635		28,231
CRRSA II Learning	84.425D	S425D210027	CRRSA	25,000	3/13/20	9/30/23	(6,542)		2,054	(2,394)			(22,946)	16,064		2,394
CRRSA II Mental Health	84.425D	S425D210027	CRRSA	45,000	3/13/20	9/30/23	-		28,000	(32,897)			(17,000)	12,103		32,897
Total Education Stabilization Fund							(12,460)	-	56,323	(67,037)	-	-	(334,111)	310,937	-	67,037
Total Special Revenue Fund							(16,750)	-	120,584	(138,934)	-	-	(364,174)	329,074	-	161,627
U.S. Dept. of Agriculture Passed-Through State Dept. of Ed.:																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	914			(914)						914
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	N/A	1,552	7/1/21	6/30/22			1,552	(975)				577		975
National School Lunch Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	(2,209)		2,209							
National School Lunch Program	10.555	221NJ304N1099	N/A	50,564	7/1/21	6/30/22			50,564	(50,564)						50,564
P-EBT Administrative Cost	10.649	2022225900941	N/A	1,242	7/1/21	6/30/22			1,242	(1,242)						1,242
Total Enterprise Fund							(1,295)	-	55,567	(53,695)	-	-	-	577	-	53,695
TOTAL FEDERAL ASSISTANCE							\$ (18,045)	-	\$ 176,151	\$ (192,629)	-	-	\$ (364,174)	\$ 329,651	-	\$ 215,322

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2021	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund:															
Equalization Aid	22-495-034-5122-078	7/1/22-6/30/22	\$ 146,342			\$ 146,342	\$ (146,342)								
Transportation Aid	22-495-034-5122-014	7/1/22-6/30/22	81,177			81,177	(81,177)							\$ 14,634	\$ 146,342
Special Education Aid	22-495-034-5122-089	7/1/22-6/30/22	122,858			122,858	(122,858)							8,118	81,177
Security Aid	22-495-034-5122-084	7/1/22-6/30/22	12,976			12,976	(12,976)							12,286	122,858
Non-Public Transportation Aid	21-100-034-5122-068	7/1/20-6/30/21	1,160	\$ (1,160)		1,160								1,297	12,976
Non-Public Transportation Aid	22-100-034-5122-068	7/1/22-6/30/22	745			-	(745)			\$ (745)					745
Extraordinary Aid	22-495-034-5122-057	7/1/22-6/30/22	20,363			-	(20,363)			(20,363)					20,363
On Behalf TPAF Pension	22-495-034-5094-002	7/1/22-6/30/22	329,372			329,372	(329,372)								329,372
On Behalf TPAF Pension PRM	22-495-034-5094-001	7/1/22-6/30/22	76,955			76,955	(76,955)								76,955
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004	7/1/22-6/30/22	71			71	(71)								71
Reimbursed TPAF Soc.Secur.Contrib.	22-495-034-5094-003	7/1/22-6/30/22	76,505			72,563	(76,505)			(3,942)					76,505
Total General Fund				(1,160)		843,474	(867,364)			(25,050)	-			36,335	867,364
Special Revenue Fund:															
SDA Grant - Emergency and Capital Aid	Not Available	7/1/22-6/30/22	3,244			3,244	(3,244)								
Total Special Revenue Fund				-	-	3,244	(3,244)	-	-	-	-	-	-	-	-
State Department of Agriculture:															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	21-100-010-3350-023	7/1/20-6/30/21		(157)		157									
Nat.School Lunch Prog.(State Share)	22-100-010-3350-023	7/1/22-6/30/22	1,174			1,174	(1,174)								1,174
Total Enterprise Fund				(157)		1,331	(1,174)			-					1,174
Total State Financial Assistance				\$ (1,317)	-	\$ 848,049	\$ (871,782)	-	-	\$ (25,050)	-	-	-	\$ 36,335	\$ 868,538
<u>Less On-behalf TPAF Pension Amounts:</u>															
On Behalf TPAF Pension	22-495-034-5094-002						329,372								
On Behalf TPAF Pension PRM	22-495-034-5094-001						76,955								
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004						71								
Total State Expenditures Subject to Major Program Determination							\$ (465,384)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,9801 for the general fund and \$7,203 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
 JUNE 30, 2022

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 877,344	\$ 877,344
Special Revenue Fund	\$ 146,137	3,244	149,381
Food Service Fund	<u>53,695</u>	<u>1,174</u>	<u>54,869</u>
Total Financial Assistance	<u>\$ 199,832</u>	<u>\$ 881,762</u>	<u>\$ 1,081,594</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions 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 employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes None Reported

Noncompliance material to financial statements noted? ___ Yes No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of? ___ Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x_yes_ _no

Internal Control over major programs:
1) Material weakness(es) identified? ___yes_ _no
2) Were significant deficiencies identified that were not considered to be material weaknesses? ___yes_ _no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? ___yes_ _no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

22-495-034-5122-078
22-495-034-5122-089
22-495-034-5122-084

Equalization Aid (State Aid Cluster)
Special Education Aid (State Aid Cluster)
Security Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

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

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.