

FRANKLIN TOWNSHIP SCHOOL DISTRICT

Somerset, New Jersey
County of Somerset

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

FRANKLIN TOWNSHIP SCHOOL DISTRICT

SOMERSET, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

**Franklin Township School District
Business Office**

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OUTLINE OF ACFR - GASB #34

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INTRODUCTORY SECTION

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Franklin Township Board of Education

2301 Route 27
Somerset NJ 08873

STEPHEN FRIED
BUSINESS ADMINISTRATOR

Telephone: 732-873-2400
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January 31, 2024

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

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Franklin Township Public School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Franklin Township Public School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

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

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

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	8,088	1.88%
2021-2022	7,939	0.04%
2020-2021	7,936	-0.51%
2019-2020	7,977	2.24%
2018-2019	7,802	7.72%
2017-2018	7,243	-7.37%
2016-2017	7,819	3.43%
2015-2016	7,560	-2.85%
2014-2015	7,782	-4.37%
2013-2014	8,138	-1.73%

ECONOMIC CONDITION AND OUTLOOK

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

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

MAJOR INITIATIVES

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

INTERNAL ACCOUNTING CONTROLS

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

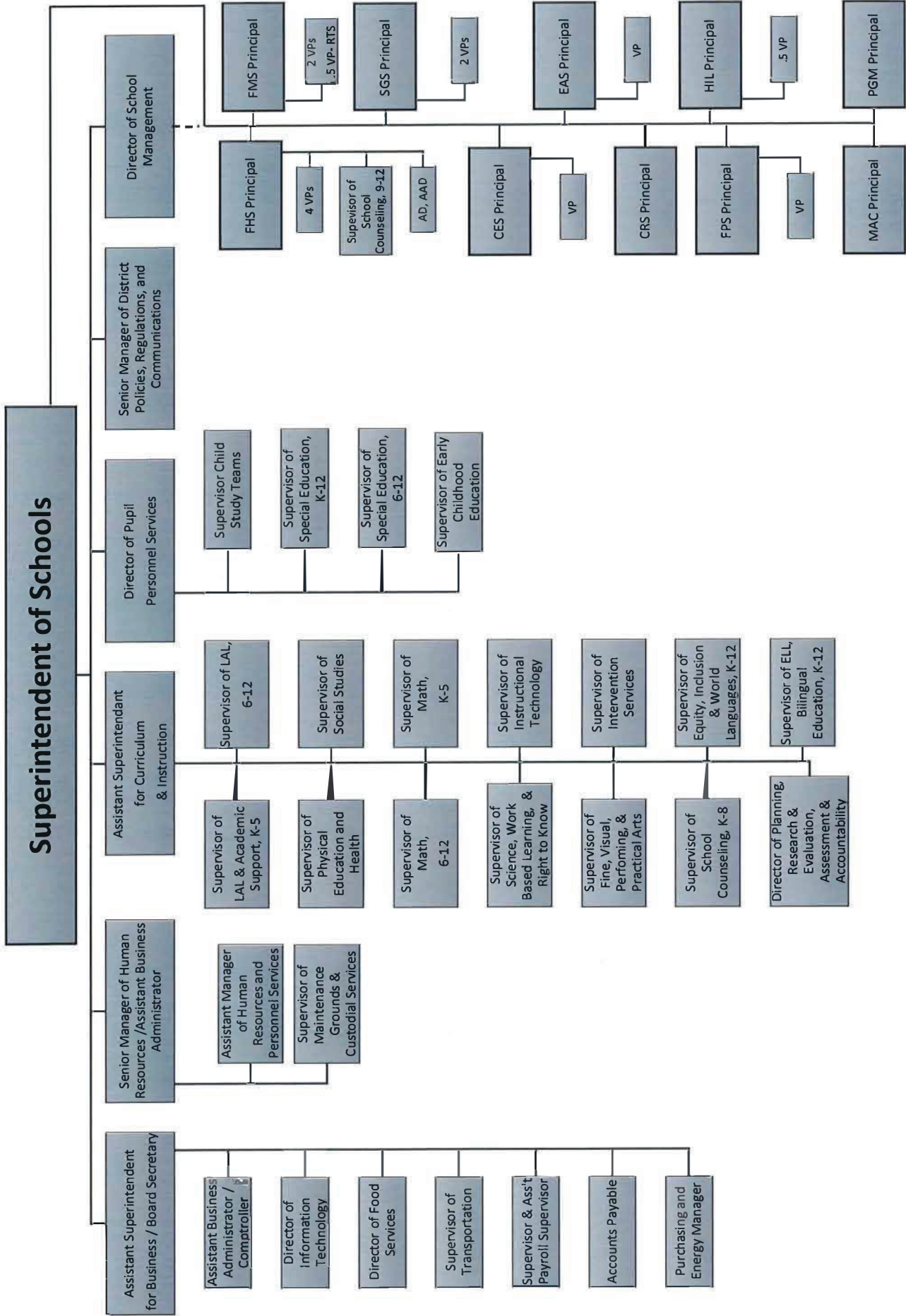
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Stephen Fried
Business Administrator



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

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Nancy Lacorta - President	2026
Ardaman Singh, Vice President	2026
Dr. Michael Smith	2024
Laurie Merris	2025
Dr. Dennis Hopkins	2025
Sami Shaban	2025
Walter Jackson	2026
Nishita Desai	2024
William Grippo	2024

Other Officials

Dr. John Ravally, Superintendent

Luis Valencia, Business Administrator

Brian Bonanno, Asst. Supt. For Business/Board Secretary

Jacqueline Becce, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECTS

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

AUDIT FIRM

Holt McNally & Associates, Inc.
618 Stokes Road
Medford, NJ 08055

ATTORNEY

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

Capehart & Scatchard, P.A.
8000 Midlantic Dr,
Mt. Laurel, NJ 08054
Lawrenceville, NJ 08648

OFFICIAL DEPOSITORY

First Bank
First Bank, 225 Demott Lane
Somerset, NJ 08873

TD Bank
3221 Route 27
Franklin Park, NJ 08823

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Franklin Township School District, County of Somerset, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Franklin Township School District, County of Somerset, State of New Jersey, as of June 30, 2023, 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our 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 provided a basis for our audit opinions.

Emphasis of Matter

As discussed in the notes to the financial statements, net position and fund balance has been restated to correct the recognition of prior year State awards. Our opinion is not modified with respect to this matter.

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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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and accompanying schedules of expenditures or federal award 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 the 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 31, 2024 on our consideration of the School 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 effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
January 31, 2024

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

As management of the Franklin Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds and proprietary funds*.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The fund financial statements of the enterprise funds provide the same information as the government-wide financial statements, only in more detail.

The School District's enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2023 compared to fiscal year 2022.

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 39,559,449	\$ 46,677,508	\$ (7,118,059)	-15.2%
Capital Assets, Net	135,423,884	135,859,700	(435,816)	-0.3%
Total Assets	<u>174,983,333</u>	<u>182,537,208</u>	<u>(7,553,875)</u>	-4.1%
Deferred Outflow of Resources	<u>8,473,090</u>	<u>5,491,368</u>	<u>2,981,722</u>	54.3%
Current and other Liabilities	16,684,558	19,625,891	(2,941,333)	-15.0%
Noncurrent Liabilities	108,129,194	112,701,696	(4,572,502)	-4.1%
Total Liabilities	<u>124,813,752</u>	<u>132,327,587</u>	<u>(7,513,835)</u>	-5.7%
Deferred Inflow of Resources	<u>9,973,563</u>	<u>18,045,333</u>	<u>(8,071,770)</u>	-44.7%
Net Position:				
Net Investment in Capital Assets	65,316,954	60,496,430	4,820,524	8.0%
Restricted	17,942,746	14,017,797	3,924,949	28.0%
Unrestricted (Deficit)	<u>(34,590,592)</u>	<u>(36,858,571)</u>	<u>2,267,979</u>	-6.2%
Total Net Position	<u>\$ 48,669,108</u>	<u>\$ 37,655,656</u>	<u>\$ 11,013,452</u>	29.2%

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Table 2
Summary of Changes in Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 930,072	\$ 2,490,614	\$ (1,560,542)	-62.7%
Operating Grants & Contributions	42,229,101	62,130,027	(19,900,926)	-32.0%
General Revenues:				
Property Taxes	158,349,642	155,853,296	2,496,346	1.6%
Federal & State Aid	17,833,920	6,413,239	11,420,681	178.1%
Other General Revenues	2,097,005	687,366	1,409,639	205.1%
Total Revenues	<u>221,439,740</u>	<u>227,574,542</u>	<u>(6,134,802)</u>	<u>-2.7%</u>
Function/Program Expenditures:				
Regular Instruction	37,146,396	86,351,899	(49,205,503)	-57.0%
Special Education Instruction	19,278,731	32,455,782	(13,177,051)	-40.6%
Other Special Instruction	5,747,321	-	5,747,321	100.0%
Other Instruction	1,854,208	9,276,817	(7,422,609)	-80.0%
Tuition	6,648,875	142,100	6,506,775	4579.0%
Student & Instruction Related Services	30,836,532	32,659,531	(1,822,999)	-5.6%
School Administrative Services	5,912,007	9,269,729	(3,357,722)	-36.2%
Other Administrative Services	2,910,200	3,023,851	(113,651)	-3.8%
Plant Operations & Maintenance	12,370,245	23,383,794	(11,013,549)	-47.1%
Pupil Transportation	16,337,371	15,528,748	808,623	5.2%
Unallocated Benefits	44,894,055	-	44,894,055	100.0%
Transfer to Charter School	19,149,591	-	19,149,591	100.0%
Interest & Other Charges	764,243	2,419,655	(1,655,412)	-68.4%
Unallocated Depreciation	4,753,930	-	4,753,930	-100.0%
Food Service	3,931,737	5,272,984	(1,341,247)	-25.4%
Capital Asset Adjustment	1,500	-	1,500	100.0%
Total Expenditures	<u>212,536,942</u>	<u>219,784,890</u>	<u>(7,247,948)</u>	<u>-3.3%</u>
Change In Net Position	8,902,798	7,789,652	1,113,146	14.3%
Net Position - Beginning, as previously stated	37,655,656	29,866,004	7,789,652	26.1%
Prior Period Adjustments	2,110,654	-	2,110,654	100.0%
Net Position - Beginning (Restated)	<u>39,766,310</u>	<u>29,866,004</u>	<u>9,900,306</u>	
Net Position - Ending	<u>\$ 48,669,108</u>	<u>\$ 37,655,656</u>	<u>\$ 11,013,452</u>	<u>29.2%</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2023, the net position of governmental activities increased by \$8,965,325 or 25.73%. The primary reasons for the increase were the capitalization of \$4,616,112 of expenditures and pension adjustments of \$5.2 million.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$43,814,657, with an unrestricted deficit balance of \$(39,083,316). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(39,083,316)
Add back: PERS Pension Liability		30,473,488
Less: Deferred Outflows related to pensions		(5,944,777)
Add back: Deferred Inflows related to pensions		<u>9,847,896</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(4,706,709)</u>

Business-type Activities

During the fiscal year 2023, the net position of business-type activities decreased by \$62,527 or -1.27%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$4,854,451.

General Fund Budgeting Highlights

Final budgeted revenues were \$169,700,478, which was no change from the originally adopted budgeted revenues. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$1,851,860.

Final budgeted appropriations were \$177,510,852, which was an increase of \$1,577,160 from the original budget. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$2,218,828.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$21,778,563 at June 30, 2023, a decrease of \$3,453,316 from the prior year.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$21,532,554, a decrease of \$4,144,207 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$3,407,627 to \$20,350,356 at June 30, 2023, compared to a decrease of \$3,335,460 in fund balance in the prior fiscal year.

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund decreased by \$761,043 to \$(484,371) at June 30, 2023, compared to an increase of \$623,560 in the prior fiscal year.

Capital projects fund - During the current fiscal year, the fund balance of the School District’s capital projects fund increased by \$24,463 to \$1,231,140 at June 30, 2023, compared to a decrease of \$3,077,652 in fund balance in the prior fiscal year.

Debt Service fund - During the current fiscal year, the fund balance of the School District’s debt service remained unchanged at \$435,429 at June 30, 2023, compared to an increase of \$435,429 in fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund decreased by \$62,527 to \$4,854,451 at June 30, 2023, compared to an increase of \$2,723,987 in fund balance in the prior fiscal year.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$135,423,884 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s in capital assets for the current fiscal year in the amount of \$435,816. Table 4 shows fiscal 2023 balances compared to 2022.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 20,309,556	\$ 20,311,056	\$ (1,500)	0.0%
Construction in Progress	15,487,156	11,711,619	3,775,537	32.2%
Building Improvements	94,151,161	97,950,233	(3,799,072)	-3.9%
Improvements Other than Buildings	3,329,208	3,368,586	(39,378)	-1.2%
Machinery and Equipment	2,146,803	2,518,206	(371,403)	-14.7%
	<u>\$ 135,423,884</u>	<u>\$ 135,859,700</u>	<u>\$ (435,816)</u>	<u>-0.3%</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited) (Continued)

Depreciation expense for the year was \$4,815,567. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District's outstanding debt issues included \$64,795,000 of general obligation bonds, compensation absence liability of \$3,213,292, net pension liability of \$30,473,488, unamortized bond premiums of \$419,591, claims of \$1,455,091 and \$7,383,867 of financed purchases.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing special education costs, out of district tuition, tuition for charter schools, energy and employee related benefit costs.

Contacting the School Districts Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Franklin Township Public Schools, 2301 Route 27, Somerset, NJ 08873.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 12,657,120	\$ 4,770,326	\$ 17,427,446
Receivables, Net (Note 4)	8,877,123	204,787	9,081,910
Inventory	-	71,759	71,759
Internal Balances	(11,767)	11,767	-
Restricted Cash	12,978,334	-	12,978,334
Capital Assets, Non-Depreciable (Note 5)	35,796,712	-	35,796,712
Capital Assets, Depreciable, Net (Note 5)	99,265,445	361,727	99,627,172
Total Assets	169,562,967	5,420,366	174,983,333
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding of Debt	2,491,528	-	2,491,528
Deferred Outflows Related to Pensions (Note 8)	5,944,777	36,785	5,981,562
Total Deferred Outflow of Resources	8,436,305	36,785	8,473,090
Total Assets and Deferred Outflow of Resources	177,999,272	5,457,151	183,456,423
LIABILITIES			
Accounts Payable	3,904,989	71,868	3,976,857
Due to Other Governments	3,062,081	-	3,062,081
Accrued Interest	566,053	-	566,053
Unearned Revenue	5,910,040	16,300	5,926,340
Other Current Liabilities	3,153,227	-	3,153,227
Current Portion of Long Term Obligations (Note 7)	7,684,343	-	7,684,343
Noncurrent Portion of Long Term Obligations (Note 7)	100,055,986	388,865	100,444,851
Total Liabilities	124,336,719	477,033	124,813,752
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	9,847,896	125,667	9,973,563
Total Deferred Inflows of Resources	9,847,896	125,667	9,973,563
Total Liabilities and Deferred Inflows of Resources	134,184,615	602,700	134,787,315
NET POSITION			
Net Investment in Capital Assets	64,955,227	361,727	65,316,954
Restricted For:			
Capital Projects	9,702,134	-	9,702,134
Debt Service	440,467	-	440,467
Maintenance Reserve	2,035,831	-	2,035,831
Emergency Reserve	1,000,000	-	1,000,000
Excess Surplus	3,005,650	-	3,005,650
Unemployment Compensation	1,466,471	-	1,466,471
Student Activities	292,193	-	292,193
Unrestricted (Deficit)	(39,083,316)	4,492,724	(34,590,592)
Total Net Position	\$ 43,814,657	\$ 4,854,451	\$ 48,669,108

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 37,146,396	\$ -	\$ -	\$ -	\$(37,146,396)	\$ -	\$(37,146,396)
Special Education	19,278,731	-	6,796,199	-	(12,482,532)	-	(12,482,532)
Other Special Instruction	5,747,321	-	-	-	(5,747,321)	-	(5,747,321)
Other Instruction	1,854,208	-	-	-	(1,854,208)	-	(1,854,208)
Support Services:							
Tuition	6,648,875	-	-	-	(6,648,875)	-	(6,648,875)
Student & Instruction Related Services	30,836,532	-	10,017,652	-	(20,818,880)	-	(20,818,880)
School Administrative Services	5,912,007	-	-	-	(5,912,007)	-	(5,912,007)
Other Administration Services	2,910,200	-	-	-	(2,910,200)	-	(2,910,200)
Plant Operations & Maintenance	12,370,245	-	-	-	(12,370,245)	-	(12,370,245)
Pupil Transportation	16,337,371	-	-	-	(16,337,371)	-	(16,337,371)
Unallocated Benefits	44,894,055	-	22,250,069	-	(22,643,986)	-	(22,643,986)
Transfer to Charter Schools	19,149,591	-	-	-	(19,149,591)	-	(19,149,591)
Interest & Other Charges	764,243	-	-	-	(764,243)	-	(764,243)
Capital Asset Adjustment (Note 5)	1,500	-	-	-	(1,500)	-	(1,500)
Unallocated Depreciation	4,753,930	-	-	-	(4,753,930)	-	(4,753,930)
Total Governmental Activities	208,605,205	-	39,063,920	-	(169,541,285)	-	(169,541,285)
Business-Type Activities:							
Food Service	3,931,737	930,072	3,165,181	-	-	163,516	163,516
Total Business-Type Activities	3,931,737	930,072	3,165,181	-	-	163,516	163,516
Total Primary Government	\$ 212,536,942	\$ 930,072	\$ 42,229,101	\$ -	(169,541,285)	163,516	(169,377,769)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					151,058,310	-	151,058,310
Property Taxes, Levied for Debt Service					7,291,332	-	7,291,332
Federal & State Aid Restricted					8,631,667	-	8,631,667
Federal & State Aid Not Restricted					9,202,253	-	9,202,253
Tuition Charges					157,041	-	157,041
Capital Asset Adjustment (Note 5)					-	(234,861)	(234,861)
Miscellaneous					2,166,007	8,818	2,174,825
Total General Revenues					178,506,610	(226,043)	178,280,567
Change In Net Position					8,965,325	(62,527)	8,902,798
Net Position - Beginning, as previously stated					32,738,678	4,916,978	37,655,656
Prior Period Adjustments (Note 19)					2,110,654	-	2,110,654
Net Position - Beginning (Restated)					34,849,332	4,916,978	39,766,310
Net Position - Ending					\$ 43,814,657	\$ 4,854,451	\$ 48,669,108

B. Fund Financial Statements

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Governmental Funds

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
ASSETS					
Cash & Cash Equivalents	\$ 12,044,603	\$ 177,088	\$ -	\$ 435,429	\$ 12,657,120
Accounts Receivable:					
State	2,925,919	-	1,430,544	-	4,356,463
Federal	-	4,379,218	-	-	4,379,218
Other	95,426	46,016	-	-	141,442
Interfund	199,404	1,188,469	-	-	1,387,873
Restricted Cash	12,978,334	-	-	-	12,978,334
	<hr/>				
Total Assets	\$ 28,243,686	\$ 5,790,791	\$ 1,430,544	\$ 435,429	\$ 35,900,450
	<hr/>				
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 4,107	\$ 98,038	\$ -	\$ -	\$ 102,145
Payroll Deductions and Withholdings Payable	3,535,896	-	-	-	3,535,896
Payable to Other Governments	-	266,948	-	-	266,948
Accrued Liability for Insurance Claims	3,153,091	-	-	-	3,153,091
Interfund Payable	1,200,236	-	199,404	-	1,399,640
Unearned Revenue	-	5,910,040	-	-	5,910,040
Other Current Liabilities	-	136	-	-	136
	<hr/>				
Total Liabilities	7,893,330	6,275,162	199,404	-	14,367,896
	<hr/>				
Fund Balances:					
Restricted for:					
Capital Reserve	8,476,032	-	-	-	8,476,032
Capital Projects	-	-	1,226,102	-	1,226,102
Maintenance Reserve	2,035,831	-	-	-	2,035,831
Emergency Reserve	1,000,000	-	-	-	1,000,000
Debt Service	-	-	5,038	435,429	440,467
Excess Surplus	1,502,825	-	-	-	1,502,825
Excess Surplus Designated for Subsequent Year	1,502,825	-	-	-	1,502,825
Unemployment Compensation	1,466,471	-	-	-	1,466,471
Student Activities	-	292,193	-	-	292,193
Assigned to:					
Other Purposes	2,013,316	-	-	-	2,013,316
Unassigned:					
General Fund	2,353,056	-	-	-	2,353,056
Special Revenue Fund	-	(776,564)	-	-	(776,564)
	<hr/>				
Total Fund Balances	20,350,356	(484,371)	1,231,140	435,429	21,532,554
	<hr/>				
Total Liabilities & Fund Balances	\$ 28,243,686	\$ 5,790,791	\$ 1,430,544	\$ 435,429	
	<hr/>				
Amounts reported for <i>governmental activities</i> 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 \$228,516,978 and the accumulated depreciation is \$93,454,821.					135,062,157
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.					
Deferred Outflows related to pensions					5,944,777
Deferred Inflows related to pensions					(9,847,896)
Deferred Outflow related to the loss on bond refunding of debt					2,491,528
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					
					(566,053)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					
					(3,062,081)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					(107,740,329)
Net position of Governmental Activities					
					\$ 43,814,657
	<hr/>				

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 151,058,310	\$ -	\$ -	\$ 7,291,332	\$ 158,349,642
Tuition	157,041	-	-	-	157,041
Rents and Royalties	43,961	-	-	-	43,961
Interest on Investments	2,000	-	-	-	2,000
Miscellaneous	1,514,577	1,019,933	-	-	2,534,510
Total Local Sources	152,775,889	1,019,933	-	7,291,332	161,087,154
State Sources	49,851,403	6,845,983	-	787,452	57,484,838
Federal Sources	439,469	8,192,198	-	-	8,631,667
Total Revenues	203,066,761	16,058,114	-	8,078,784	227,203,659
Expenditures:					
Current Expense:					
Regular Instruction	37,146,396	-	-	-	37,146,396
Special Education Instruction	12,482,532	6,796,199	-	-	19,278,731
Other Special Instruction	5,747,321	-	-	-	5,747,321
Other Instruction	1,854,208	-	-	-	1,854,208
Support Services & Undistributed Costs:					
Tuition	6,648,875	-	-	-	6,648,875
Student & Instruction Related Services	20,818,880	10,017,652	-	-	30,836,532
School Administrative Services	5,912,007	-	-	-	5,912,007
Other Administrative Services	2,910,200	-	-	-	2,910,200
Plant Operations & Maintenance	13,194,983	-	-	-	13,194,983
Pupil Transportation	16,337,371	-	-	-	16,337,371
Unallocated Benefits	27,740,617	-	-	-	27,740,617
On Behalf TPAF Pension and Social Security Contributions	31,468,734	-	-	-	31,468,734
Capital Outlay	424,995	5,306	3,361,073	-	3,791,374
Transfer to Charter Schools	19,149,591	-	-	-	19,149,591
Debt Service:					
Principal	957,081	-	-	6,690,000	7,647,081
Interest & Other Charges	166,967	-	-	1,388,784	1,555,751
Total Expenditures	202,960,758	16,819,157	3,361,073	8,078,784	231,219,772
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	106,003	(761,043)	(3,361,073)	-	(4,016,113)
Other Financing Sources/(Uses):					
Transfers In	-	-	3,800,000	-	3,800,000
Transfers Out	(3,800,000)	-	-	-	(3,800,000)
Cancellation of SDA Receivable	-	-	(414,464)	-	(414,464)
Financed Purchase Proceeds	286,370	-	-	-	286,370
Total Other Financing Sources/(Uses)	(3,513,630)	-	3,385,536	-	(128,094)
Net Change in Fund Balances	(3,407,627)	(761,043)	24,463	-	(4,144,207)
Fund Balance, July 1 (restated)	23,757,983	276,672	1,206,677	435,429	25,676,761
Fund Balance, June 30	\$ 20,350,356	\$ (484,371)	\$ 1,231,140	\$ 435,429	\$ 21,532,554

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (4,144,207)

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	\$ (4,753,930)	
	Capital Asset Adjustment	(1,500)	
	Capital Outlays	<u>4,616,112</u>	(139,318)

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

	Bond Principal	6,690,000	
	Financed Purchases	<u>957,081</u>	7,647,081

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Amortization of Premium on Bonds	224,324	
	Amortization of Loss on Bond Refunding	<u>(205,117)</u>	19,207

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities. (286,370)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). 772,301

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. 5,284,813

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations), claims and judgements for self insurance claims are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (188,182)

Change in Net Position of Governmental Activities \$ 8,965,325

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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Proprietary Funds

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

ASSETS	BUSINESS TYPE- ACTIVITIES	
	<u>FOOD SERVICE</u>	<u>TOTALS</u>
Current Assets:		
Cash & Cash Equivalents	\$ 4,770,326	\$ 4,770,326
Accounts Receivable:		
State	9,800	9,800
Federal	194,987	194,987
Interfund Receivable	11,767	11,767
Inventories	71,759	71,759
Total Current Assets	<u>5,058,639</u>	<u>5,058,639</u>
Capital Assets:		
Equipment	1,478,548	1,478,548
Less: Accumulated Depreciation	<u>(1,116,821)</u>	<u>(1,116,821)</u>
Total Capital Assets	<u>361,727</u>	<u>361,727</u>
Total Assets	<u>5,420,366</u>	<u>5,420,366</u>
Deferred Outflows of Resources:		
Deferred Amounts on Net Pension Liability	<u>36,785</u>	<u>36,785</u>
Total Deferred Outflows of Resources	<u>36,785</u>	<u>36,785</u>
Total Assets and Deferred Outflows of Resources	<u>5,457,151</u>	<u>5,457,151</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	71,868	71,868
Unearned Revenue	<u>16,300</u>	<u>16,300</u>
Total Current Liabilities	<u>88,168</u>	<u>88,168</u>
Noncurrent Liabilities		
Net Pension Liability	<u>388,865</u>	<u>388,865</u>
Total Noncurrent Liabilities	<u>388,865</u>	<u>388,865</u>
Total Liabilities	<u>477,033</u>	<u>477,033</u>
Deferred Inflows of Resources:		
Deferred Amounts on Net Pension Liability	<u>125,667</u>	<u>125,667</u>
Total Deferred Outflows of Resources	<u>125,667</u>	<u>125,667</u>
Total Liabilities and Deferred Outflows of Resources	<u>602,700</u>	<u>602,700</u>
NET POSITION		
Investment in Capital Assets	361,727	361,727
Unrestricted	<u>4,492,724</u>	<u>4,492,724</u>
Total Net Position	<u>\$ 4,854,451</u>	<u>\$ 4,854,451</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>BUSINESS TYPE- ACTIVITIES</u>	
	<u>FOOD SERVICE</u>	<u>TOTALS</u>
Operating Revenues:		
Local Services:		
Daily Sales - Reimbursable Programs	\$ 304,615	\$ 304,615
Daily Sales Non- Reimbursable Programs	336,415	336,415
Miscellaneous	289,042	289,042
Total Operating Revenue	<u>930,072</u>	<u>930,072</u>
Operating Expenses:		
Salaries	1,597,092	1,597,092
Employee Benefits	169,050	169,050
Purchased Professional Services	112,871	112,871
Other Purchased Services	4,100	4,100
Utilities	66,116	66,116
Supplies and Materials	199,065	199,065
Depreciation	61,637	61,637
Cost of Sales - Non-Reimbursable Programs	1,684,705	1,684,705
Miscellaneous	37,101	37,101
Total Operating Expenses	<u>3,931,737</u>	<u>3,931,737</u>
Operating Income/(Loss)	<u>(3,001,665)</u>	<u>(3,001,665)</u>
Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program	67,240	67,240
State School Breakfast Program	47,262	47,262
Federal Sources:		
National School Breakfast Program	689,807	689,807
National School Lunch Program	1,680,969	1,680,969
Supply Chain Assistance Funds	187,131	187,131
Food Distribution Program	492,772	492,772
Interest Income	8,818	8,818
Capital Asset Adjustment (Note 5)	(234,861)	(234,861)
Total Nonoperating Revenues/(Expenses)	<u>2,939,138</u>	<u>2,939,138</u>
Change in Net Position	(62,527)	(62,527)
Total Net Position Beginning	<u>4,916,978</u>	<u>4,916,978</u>
Total Net Position Ending	<u>\$ 4,854,451</u>	<u>\$ 4,854,451</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR FISCAL YEAR ENDED JUNE 30, 2023**

	<u>BUSINESS TYPE- ACTIVITIES</u>	
	<u>FOOD SERVICE</u>	<u>TOTALS</u>
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 880,807	\$ 880,807
Payments to Employees	(1,597,092)	(1,597,092)
Payments to Benefits	(236,488)	(236,488)
Payments to Suppliers	(2,125,655)	(2,125,655)
	<u>(3,078,428)</u>	<u>(3,078,428)</u>
Net Cash Provided/(Used) by Operating Activities		
Cash Flow From Noncapital Financing Activities:		
Cash Received From State and Federal Sources	3,577,237	3,577,237
Transfer of Other Funds	-	-
	<u>3,577,237</u>	<u>3,577,237</u>
Net Cash Provided by Noncapital Financing Activities		
Cash Flows From Investing Activities:		
Interest Received	8,818	8,818
	<u>8,818</u>	<u>8,818</u>
Net Cash Provided from Investing Activities		
Net Increase in Cash & Cash Equivalents	507,627	507,627
Balances - Beginning of Year	4,262,699	4,262,699
	<u>4,770,326</u>	<u>4,770,326</u>
Balances - Ending of Year		
	<u>\$ 4,770,326</u>	<u>\$ 4,770,326</u>
 Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (3,001,665)	\$(3,001,665)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:		
Depreciation Expense	61,637	61,637
Change in Assets & Liabilities:		
(Increase)/Decrease in Inventory	(8,095)	(8,095)
Increase/(Decrease) in Accounts Payable	(13,602)	(13,602)
Increase/(Decrease) in Unearned Revenue	(49,265)	(49,265)
Increase/(Decrease) in Net Pension Liability	35,586	35,586
Increase/(Decrease) in Deferred Inflows of Resources	(101,453)	(101,453)
(Increase)/Decrease in Deferred Outflows of Resources	(1,571)	(1,571)
	<u>(3,078,428)</u>	<u>(3,078,428)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (3,078,428)</u>	<u>\$(3,078,428)</u>

The Accompanying Notes to the Financial Statements are an integral part of this Statement.

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Franklin Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Franklin Township School District is a Type II district located in the County of Somerset, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board consists of nine members elected to three-year terms and is responsible for the fiscal control of the District. The terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve at its ten schools. The Franklin Township School District has an approximate enrollment at June 30, 2023 of 8,088 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 School District
- ◆ there is a fiscal dependency by the organization on the District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2023.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

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

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2023 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Land Improvements	20 Years
Buildings	20 – 50 Years
Building Improvements	20 Years
Heavy Equipment	10 – 20 Years
Office Equipment and Furniture	7 – 10 Years
Computer Equipment	5 Years

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2023.
- Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. Statement No. 96 establishes a single approach to accounting and financial reporting for subscription-based information technology arrangements for government end users. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The adoption of this pronouncement had no material effect on the financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 101, *Compensated Absences*. Statement No. 101 aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the District's financial statements.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Deferred Loss on Refunding Debt

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Outflows and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the District’s bank balance of \$37,275,649 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 30,949,340
Uninsured and Uncollateralized	<u>6,326,309</u>
	<u>\$ 37,275,649</u>

Investments

The District had no investments at June 30, 2023.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	7,749,020
Increased by:		
Interest Earnings		1,500
Deposits Approved by Board		<u>4,525,512</u>
		12,276,032
Decreased by:		
Withdrawals		<u>(3,800,000)</u>
Ending Balance, June 30, 2023	\$	<u><u>8,476,032</u></u>

The withdrawals from the capital reserve were for use in Department of Education approved facilities projects, consistent with the District's Long Rang Facilities Plan.

Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpected line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC-A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 3. Reserve Accounts (continued)

The activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Ending Balance, June 30, 2023 and 2022	<u>\$ 1,000,000</u>
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Maintenance Reserve

The School District established a maintenance reserve account on June 5, 2012 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years. Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 2,035,331
Increased by:	
Interest Earnings	<u>500</u>
Ending Balance, June 30, 2023	<u>\$ 2,035,831</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the District’s individual major, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>				<u>Description</u>	<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>		<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 4,379,218	\$ -	\$ 4,379,218	Federal Awards	\$ 194,987	\$ 194,987
State Awards	2,925,919	-	1,430,544	4,356,463	State Awards	9,800	9,800
Other	95,426	46,016	-	141,442	Other	-	-
Total	<u>\$ 3,021,345</u>	<u>\$ 4,425,234</u>	<u>\$ 1,430,544</u>	<u>\$ 8,877,123</u>	Total	<u>\$ 204,787</u>	<u>\$ 204,787</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2023</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 20,311,056	\$ -	\$ (1,500)	\$ 20,309,556
Construction in Progress	11,711,619	3,775,537	-	15,487,156
Total Capital Assets not being depreciated	<u>32,022,675</u>	<u>3,775,537</u>	<u>(1,500)</u>	<u>35,796,712</u>
Capital Assets being depreciated:				
Building Improvements	166,988,435	90,790	-	167,079,225
Improvements Other than Buildings	9,714,164	353,775	-	10,067,939
Machinery & Equipment	15,177,092	396,010	-	15,573,102
Total Capital Assets being depreciated	<u>191,879,691</u>	<u>840,575</u>	<u>-</u>	<u>192,720,266</u>
Less: Accumulated Depreciation:				
Building Improvements	(69,038,202)	(3,889,862)	-	(72,928,064)
Improvements Other than Buildings	(6,345,578)	(393,153)	-	(6,738,731)
Machinery & Equipment	(13,317,111)	(470,915)	-	(13,788,026)
Total Accumulated Depreciation	<u>(88,700,891)</u>	<u>(4,753,930)</u>	<u>-</u>	<u>(93,454,821)</u>
Total Capital Assets being depreciated, net	<u>103,178,800</u>	<u>(3,913,355)</u>	<u>-</u>	<u>99,265,445</u>
Total Governmental Activities Capital Assets, net	<u>\$ 135,201,475</u>	<u>\$ (137,818)</u>	<u>\$ (1,500)</u>	<u>\$ 135,062,157</u>

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2023</u>
Business-Type Activities:				
Equipment	\$ 1,659,607	\$ -	\$ (181,059)	\$ 1,478,548
	<u>1,659,607</u>	<u>-</u>	<u>(181,059)</u>	<u>1,478,548</u>
Less: Accumulated Depreciation:				
Equipment	(1,001,382)	(61,637)	(53,802)	(1,116,821)
	<u>(1,001,382)</u>	<u>(61,637)</u>	<u>(53,802)</u>	<u>(1,116,821)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 658,225</u>	<u>\$ (61,637)</u>	<u>\$ (234,861)</u>	<u>\$ 361,727</u>

Depreciation expense was not allocated among the various functions/programs of the District.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 199,404	\$ 1,200,236
Special Revenue Fund	1,188,469	-
Capital Projects Fund	-	199,404
Food Service Fund	11,767	-
	<u>\$ 1,399,640</u>	<u>\$ 1,399,640</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,800,000
Capital Projects Fund	<u>3,800,000</u>	<u>-</u>
	<u>\$ 3,800,000</u>	<u>\$ 3,800,000</u>

The purpose of the interfund transfers were to fund projects in the Capital Projects fund.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 71,485,000	\$ -	\$ 6,690,000	\$ 64,795,000	\$ 6,680,000
Unamortized Bond Premiums	643,915	-	224,324	419,591	-
Financed Purchases	5,931,000	-	318,000	5,613,000	338,000
Other Financing Agreements	2,123,578	286,370	639,081	1,770,867	666,343
Claims	1,295,851	159,240	-	1,455,091	-
Compensated Absences	3,184,350	28,942	-	3,213,292	-
Net Pension Liability	27,684,723	2,788,765	-	30,473,488	-
	<u>\$ 112,348,417</u>	<u>\$ 3,263,317</u>	<u>\$ 7,871,405</u>	<u>\$ 107,740,329</u>	<u>\$ 7,684,343</u>
Business-Type Activities:					
Net Pension Liability	\$ 353,279	\$ 35,586	\$ -	\$ 388,865	\$ -
	<u>\$ 353,279</u>	<u>\$ 35,586</u>	<u>\$ -</u>	<u>\$ 388,865</u>	<u>\$ -</u>

For governmental activities, general obligation bonds, unamortized bond premiums, financed purchases, other financing agreements, claims, compensated absences and net pension liability are liquidated by the general fund.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations (continued)

A. General Obligation Bonds

On August 8, 2013, the School District issued \$24,970,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on August 15, 2023.

On February 10, 2015, the School District issued \$81,480,000 of General Obligation Bonds. The Bonds were issued at a 3.00% interest rate and matured on February 1, 2023.

On May 26, 2016, the School District issued \$8,700,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on August 15, 2026.

On July 7, 2024, the School District issued \$56,420,000 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 0.420% to 2.323% and mature on February 1, 2035.

Purpose of Issues

The Board issued general obligation bonds to provide funds for the acquisition and construction of major facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Principal and Interest due on the Bond outstanding is as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,680,000	\$ 1,181,004	\$ 7,861,004
2025	6,730,000	1,085,182	7,815,182
2026	6,735,000	965,888	7,700,888
2027	6,750,000	829,839	7,579,839
2028	4,680,000	724,896	5,404,896
2029-2033	23,945,000	2,442,606	26,387,606
2034-2035	9,275,000	317,884	9,592,884
	<u>\$ 64,795,000</u>	<u>\$ 7,547,299</u>	<u>\$ 72,342,299</u>

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

B. Financed Purchases

On November 13, 2014, the District entered into a finance purchase agreement in the amount of \$7,534,000 for an energy savings improvement program. The finance obligation was issued at an interest rate of 2.747% and matures on October 15, 2034.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 7. Long-Term Obligations (continued)

On September 15, 2021 the District entered into a finance purchase agreement in the amount of \$1,309,197 for Macbooks. The finance obligation was issued at an interest rate of 0% and matures on September 15, 2024.

On June 1, 2022 the District entered into a finance purchase agreement in the amount of \$1,141,680 for Chromebooks. The finance obligation was issued at an interest rate of 2.52% and matures on August 15, 2025.

On August 15, 2022 the District entered into a finance purchase agreement in the amount of \$268,270 for server upgrades. The finance obligation was issued at an interest rate of 3.93% and matures on August 15, 2026.

The future minimum finance payments for these notes are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,004,343	\$ 181,512	\$ 1,185,855
2025	1,033,790	162,505	1,196,295
2026	736,214	142,675	878,889
2027	468,520	122,012	590,532
2028	418,000	108,012	526,012
2029-2033	1,949,000	305,453	2,254,453
2034-2036	1,774,000	74,938	1,848,938
	\$ 7,383,867	\$ 1,097,107	\$ 8,480,974

Note 8. Pension Plans

A. Public Employees’ Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$30,862,353 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022.

The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.2045%, which was a decrease of 0.03217% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension expense/(benefit) of \$(2,687,278) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 222,750	\$ 196,434
Changes of Assumptions	95,621	4,621,316
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,277,365	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	1,323,745	5,155,813
School District Contributions Subsequent to Measurement Date	3,062,081	-
	\$ 5,981,562	\$ 9,973,563

\$3,062,081 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending Dec 31,	Amount
2023	\$ (5,795,930)
2024	(2,952,832)
2025	(1,440,039)
2026	3,141,619
2027	(6,900)
	\$ (7,054,082)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	-	5.16
June 30, 2021	5.13	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022		5.04
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	-	5.00
June 30, 2021	5.00	-
June 30, 2022	5.00	
 Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees’ Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2027	2.85 - 6.55% Based on Years of Service
Thereafter	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. 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, 2022 are summarized in the following table:

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 made 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00% as well as what the School 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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 39,984,870</u>	<u>\$ 30,862,353</u>	<u>\$ 23,582,535</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees’ Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
District's portion of the Plan's total Net Pension Liability	0.204503%	0.236678%

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

The State’s proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2023. The State’s proportionate share of the contribution associated with the special funding situation was \$64,936 as of June 30, 2023. These are based on measurements as of June 30, 2022.

B. Teachers’ Pension and Annuity Fund (TPAF)

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District 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 School District 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 local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$272,070,429. The School District's proportionate share was \$-0-.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.52732%, which was a decrease of 0.004964% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the School District recognized \$7,322,175 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. 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>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.37%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's 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:

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>319,008,360</u>	<u>272,070,429</u>	<u>232,531,120</u>
	<u>\$ 319,008,360</u>	<u>\$ 272,070,429</u>	<u>\$ 232,531,120</u>

Pension Plan Fiduciary Net Position - 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.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Balances at June 30, 2023 and June 30, 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
District's portion of the Plan's total Net Pension Liability	0.52733%	0.53229%

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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 is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability: \$ 50,646,462,966

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

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

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

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$244,893,965. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.48353%, which was a decrease of 0.009238% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$10,583,563 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increased to 13.44% in fiscal year 2026 and decreased to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increased to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreased to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 287,847,095	\$ 244,893,965	\$ 210,469,178
State of New Jersey's Total Non- employer Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 202,419,831	\$ 244,893,965	\$ 300,686,320
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ -	\$ -
Change in Assumptions	9,042,402,619	(15,462,950,679)
Contributions Made in Fiscal Year	8,765,620,577	(17,237,289,230)
Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 17,808,023,196	\$ (32,700,239,909)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	(3,921,361,006)
	\$ (14,892,216,713)

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
	364,817

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$	2,770,618,025
Interest Cost		1,342,187,139
Difference Between Expected & Actual Experience		1,399,200,736
Change in Benefit Terms		-
Changes of Assumptions		(13,586,368,097)
Contributions: Member		42,650,252
Gross Benefit Payments		<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability		(9,361,188,004)
Total OPEB Liability (Beginning)		<u>60,007,650,970</u>
Total OPEB Liability (Ending)	\$	<u>50,646,462,966</u>
Total Covered Employee Payroll	\$	14,753,355,408
Net OPEB Liability as a Percentage of Payroll		343%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for normal costs, social security, post-retirement medical costs, and non-contributory insurance were \$21,481,314, \$4,334,663, \$5,643,089 and \$9,668, respectively.

Note 11. Risk Management

Property and Liability Insurance

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

Workers' Compensation Plan

The District has established a worker's compensation plan for its employees. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid

FRANKLIN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023 (continued)

Note 11. Risk Management (continued)

directly by the plan up to a maximum of \$700,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Reinsurance Agreement with Safety National Casualty Corporation.

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2023, are reported as claims payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$2,483,734 reported at June 30, 2023 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The unpaid claims balance for the worker's compensation plan for the fiscal years ended June 30, 2023 and 2022 were \$2,483,734 and \$2,324,494, respectively.

Health Insurance Plan

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2023, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator. The unpaid claims liability of \$2,124,448 reported at June 30, 2023 is based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The unpaid claims balance for the health insurance plan for the fiscal years ended June 30, 2023 and 2022 were \$2,124,448 and \$2,333,770, respectively.

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 11. Risk Management (continued)

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of NJSIG are on file with the School's Assistant Superintendent for Business. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Contributions/ Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ 224,698	\$ 70,358	\$ 1,466,471
2021-2022	91,092	88,470	1,312,131
2020-2021	194,434	192,220	1,309,509

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the District.

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

Lincoln Investment Planning	Foresters Financial	AXA Equitable
MetLife	Valic	

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$3,213,292.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the District is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the District's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the District.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The excess fund balance at June 30, 2023 was \$1,502,825.

Note 17. Fund Balances

General Fund – Of the \$20,350,356 General Fund balance at June 30, 2023, \$8,476,032 has been restricted for the Capital Reserve Account; \$2,035,831 has been restricted for the Maintenance Reserve Account; \$1,000,000 has been restricted for the Emergency Reserve Account; \$1,466,471 has been restricted for the Unemployment Reserve Account; \$1,502,825 has been restricted for subsequent year’s expenditures; \$2,013,316 has been assigned to other purposes and \$2,353,056 has been unassigned.

Special Revenue Fund – Of the \$(484,371) Special Revenue Fund balance at June 30, 2023, \$292,193 is restricted for future student activities and \$(776,564) is restricted for special revenue. The primary cause of the deficit is the District not recognizing the receivable for the last two state aid payments.

Capital Projects Fund – Of the \$1,231,140 Capital Projects Fund balance at June 30, 2023, \$1,226,102 is restricted for capital projects and \$5,038 is restricted for debt service.

Debt Service Fund – Of the \$435,429 Debt Service Fund balance at June 30, 2023, \$435,429 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The District’s governmental activities had a deficit in unrestricted net position in the amount of \$(39,083,316). The primary causes of the deficit are the District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees’ Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 19. Prior Period Adjustment/Restatement Net Position

Net position as of July 1, 2022 has been restated as follows for adjustments necessary to correct extraordinary aid award for the fiscal year 2022.

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2022	\$ 32,738,678
Prior Period Adjustment:	
Extraordinary Aid- Fiscal Year 2022	<u>2,110,654</u>
Total Prior Period Adjustment	<u>2,110,654</u>
Net Position as restated July 1, 2022	<u>\$ 34,849,332</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (continued)**

Note 19. Prior Period Adjustment/Restatement Net Position (continued)

General Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2022	\$ 21,647,329
Prior Period Adjustment:	
Extraordinary Aid- Fiscal Year 2022	<u>2,110,654</u>
Fund Balance as restated July 1, 2022	<u>\$ 23,757,983</u>

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and January 31, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Sources:						
Local Tax Levy	10-1210-000	\$ 151,058,310	\$ -	\$ 151,058,310	\$ 151,058,310	\$ -
Tuition from Other LEAs Within State	10-1320-000	-	-	-	82,041	82,041
Tuition from Other Sources	10-1340-000	75,000	-	75,000	75,000	-
Rent and Royalties	10-1910-000	-	-	-	43,961	43,961
Miscellaneous	10-1XXX	500,000	-	500,000	1,514,577	1,014,577
Interest Earned on Maintenance Reserve	10-1XXX	500	-	500	500	-
Interest Earned on Capital Reserve Funds	10-1XXX	1,500	-	1,500	1,500	-
Total Local Sources		151,635,310	-	151,635,310	152,775,889	1,140,579
State Sources:						
Extraordinary Aid	10-3131-000	2,100,000	-	2,100,000	2,018,147	(81,853)
Categorical Special Education Aid	10-3132-000	6,733,247	-	6,733,247	6,733,247	-
Equalization Aid	10-3176-000	5,672,994	-	5,672,994	5,672,994	-
Security Aid	10-3177-000	1,581,446	-	1,581,446	1,581,446	-
Transportation Aid	10-3121-000	1,634,154	-	1,634,154	1,634,154	-
Nonpublic Transportation	10-3190-000	-	-	-	246,910	246,910
Homeless Tuition	10-3190-000	-	-	-	415,842	415,842
Maintenance of Equity	10-3192-000	-	-	-	34,240	34,240
Nonbudgeted:						
On-Behalf TPAF Pension Contributions	10-3901-000	-	-	-	21,481,314	21,481,314
On-Behalf TPAF Medical Contributions		-	-	-	5,643,089	5,643,089
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	9,668	9,668
Reimbursed TPAF Social Security		-	-	-	4,334,663	4,334,663
Total State Sources		17,721,841	-	17,721,841	49,805,714	32,083,873
Federal Sources:						
Medical Assistance Program	10-4200-000	343,327	-	343,327	423,961	80,634
FFCRA/SEMI	10-4210-000	-	-	-	15,508	15,508
Total Federal Sources		343,327	-	343,327	439,469	96,142
Total Revenues		169,700,478	-	169,700,478	203,021,072	33,320,594
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Local Contribution - Transportation to Special Rev - Inclusion	11-105-100-936	288,320	-	288,320	288,320	-
Salaries of Teachers:						
Kindergarten	11-110-100-101	2,161,919	(172,952)	1,988,967	1,988,967	-
Grades 1-5	11-120-100-101	10,070,730	660,378	10,731,108	10,731,108	-
Grades 6-8	11-130-100-101	7,923,994	251,207	8,175,201	8,175,201	-
Grades 9-12	11-140-100-101	11,000,603	(60,122)	10,940,481	10,940,481	-
Home Instruction:						
Salaries of Teachers	11-150-100-101	-	99,964	99,964	99,964	-
Purchased Professional - Educational Services	11-150-100-320	25,750	2,400	28,150	18,872	9,278
Regular Programs - Undistributed Instruction:						
Purchased Professional - Educational Services	11-190-100-320	1,174,051	880,434	2,054,485	2,054,485	-
Purchased Technical Services	11-190-100-340	239,192	735,691	974,883	496,758	478,125
Other Purchased Services	11-190-100-500	283,267	966,585	1,249,852	1,245,160	4,692
General Supplies	11-190-100-610	973,285	50,954	1,024,239	1,021,911	2,328
Textbooks	11-190-100-640	113,033	(42,974)	70,059	70,059	-
Other Objects	11-190-100-800	15,900	(790)	15,110	15,110	-
Total Regular Programs		34,270,044	3,370,775	37,640,819	37,146,396	494,423
Intellectual Disability - Moderate:						
Salaries of Teachers	11-202-100-101	154,552	(15,182)	139,370	139,370	-
Other Salaries for Instruction	11-202-100-106	123,187	(11,957)	111,230	110,142	1,088
General Supplies	11-202-100-610	8,240	(7,471)	769	769	-
Other Objects	11-202-100-800	-	2,745	2,745	2,745	-
Total Intellectual Disability - Moderate		285,979	(31,865)	254,114	253,026	1,088

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,306,679	(259,031)	1,047,648	1,047,648	-
Other Salaries for Instruction	11-204-100-106	463,489	296,940	760,429	760,429	-
General Supplies	11-204-100-610	25,135	11,442	36,577	36,577	-
Total Learning and/or Language Disabilities		1,795,303	49,351	1,844,654	1,844,654	-
Emotional Regulation Impairment:						
Salaries of Teachers	11-209-100-101	68,352	(41,011)	27,341	27,341	-
Other Salaries for Instruction	11-209-100-106	24,243	(21,540)	2,703	2,703	-
General Supplies	11-209-100-610	2,060	(625)	1,435	1,435	-
Total Emotional Regulation Impairment		94,655	(63,176)	31,479	31,479	-
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	7,163,532	(1,212,219)	5,951,313	5,951,313	-
Other Salaries for Instruction	11-213-100-106	863,754	2,149	865,903	865,903	-
General Supplies	11-213-100-610	29,048	(6,593)	22,455	22,455	-
Total Resource Room/Resource Center		8,056,334	(1,216,663)	6,839,671	6,839,671	-
Autism:						
Salaries of Teachers	11-214-100-101	1,279,088	122,349	1,401,437	1,400,644	793
Other Salaries for Instruction	11-214-100-106	1,206,676	(507,052)	699,624	699,624	-
General Supplies	11-214-100-610	72,721	(8,489)	64,232	63,299	933
Total Autism		2,558,485	(393,192)	2,165,293	2,163,567	1,726
Pre-School Disability - Full-Time						
Salaries of Teachers	11-216-100-101	992,125	(377,524)	614,601	614,601	-
Other Salaries for Instruction	11-216-100-106	288,251	188,913	477,164	477,164	-
General Supplies	11-216-100-600	15,450	(12,198)	3,252	3,252	-
Total Pre-School Disability - Full-Time		1,295,826	(200,809)	1,095,017	1,095,017	-
Home Instruction:						
Salaries of Teachers	11-219-100-101	-	245,106	245,106	245,106	-
Other Purchased Services	11-219-100-320	10,300	7,850	18,150	10,012	8,138
Total Home Instruction		10,300	252,956	263,256	255,118	8,138
Total Special Education - Instruction		14,096,882	(1,603,398)	12,493,484	12,482,532	10,952
Other Instructional Programs:						
Basic Skills/Remedial - Instruction:						
Salaries for Teachers	11-230-100-101	3,044,661	(266,733)	2,777,928	2,777,928	-
Total Basic Skills/Remedial Instruction		3,044,661	(266,733)	2,777,928	2,777,928	-
Bilingual Education - Instruction:						
Salaries of Teacher	11-240-100-101	3,030,229	(158,443)	2,871,786	2,871,786	-
Other Salaries for Instruction	11-240-100-106	26,818	14,422	41,240	41,240	-
General Supplies	11-240-100-610	62,947	(5,109)	57,838	52,142	5,696
Textbooks	11-240-100-640	5,025	(800)	4,225	4,225	-
Total Bilingual Education - Instruction		3,125,019	(149,930)	2,975,089	2,969,393	5,696
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	515,355	(134,062)	381,293	381,293	-
Purchased Services	11-401-100-500	17,669	(925)	16,744	15,571	1,173
Supplies and Materials	11-401-100-600	18,057	28,996	47,053	46,280	773
Other Objects	11-401-100-800	50,975	(6,617)	44,358	40,380	3,978
Total School Sponsored Cocurricular Activities		602,056	(112,608)	489,448	483,524	5,924
School Sponsored Athletics - Instruction:						
Salaries of Teachers	11-402-100-100	831,231	(144,817)	686,414	677,372	9,042
Purchased Services	11-402-100-500	40,700	(40,000)	700	263	437
Supplies and Materials	11-402-100-600	74,050	(9,114)	64,936	64,456	480
Other Objects	11-402-100-800	156,278	(34,092)	122,186	93,883	28,303
Total School Sponsored Athletics - Instruction		1,102,259	(228,023)	874,236	835,974	38,262

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Other Instructional Programs - Instruction:						
Salaries of Teachers	11-423-100-101	222,096	287,378	509,474	509,474	-
Other Salaries of Instruction	11-423-100-106	2,580	-	2,580	-	2,580
Purchased Professional & Technical Services	11-423-100-300	4,650	-	4,650	3,825	825
General Supplies	11-423-100-610	2,000	998	2,998	1,866	1,132
Salaries	11-423-200-100	168,883	(148,353)	20,530	19,545	985
Purchased Professional & Technical Services	11-423-200-300	600	-	600	-	600
Supplies and Materials	11-423-200-600	1,625	142	1,767	-	1,767
Total Other Instructional Program		402,434	140,165	542,599	534,710	7,889
Total Other Instructional Programs - Instruction		56,643,355	1,150,248	57,793,603	57,230,457	563,146
Undistributed Expenditures:						
Instruction:						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	290,924	(41,815)	249,109	242,883	6,226
Tuition to Other LEAs Within the State - Special	11-000-100-562	2,432,040	(144,407)	2,287,633	2,269,572	18,061
Tuition to County Voc. School Dist. - Regular	11-000-100-563	228,225	(124,988)	103,237	103,238	(1)
Tuition to County Voc. School Dist. - Special	11-000-100-564	48,036	298	48,334	48,288	46
Tuition to CSSD & Reg. Day Schools	11-000-100-565	167,635	(165,207)	2,428	-	2,428
Tuition to Private School For the Disabled Within the State	11-000-100-566	2,890,404	773,779	3,664,183	3,656,137	8,046
Tuition to Private School for the Disabled and Other LEAs Outside the State - Special	11-000-100-567	-	25,500	25,500	25,401	99
Tuition - State Facilities	11-000-100-568	142,369	(57,642)	84,727	84,636	91
Tuition - Other	11-000-100-569	350,388	(131,668)	218,720	218,720	-
Total Instruction		6,550,021	133,850	6,683,871	6,648,875	34,996
Attendance and Social Work Services						
Salaries	11-000-211-100	123,542	(16,735)	106,807	106,807	-
Total Attendance and Social Work Services		123,542	(16,735)	106,807	106,807	-
Health Services:						
Salaries	11-000-213-100	1,369,388	(175,138)	1,194,250	1,194,250	-
Purchased Professional and Technical Services	11-000-213-300	636,707	(114,998)	521,709	493,575	28,134
Other Purchased Services	11-000-213-500	1,080	(1,000)	80	-	80
Supplies & Materials	11-000-213-600	47,626	(18,577)	29,049	28,843	206
Total Health Services		2,054,801	(309,713)	1,745,088	1,716,668	28,420
Speech, OT, PT & Related Services:						
Salaries	11-000-216-100	1,021,537	(370,916)	650,621	650,621	-
Purchased Professional - Educational Services	11-000-216-320	1,550,000	865,852	2,415,852	2,338,978	76,874
Supplies and Materials	11-000-216-600	8,842	776	9,618	9,618	-
Total Speech OT, PT & Related Services		2,580,379	495,712	3,076,091	2,999,217	76,874
Other Support Services - Students - Regular:						
Salaries	11-000-217-100	930,868	(316,256)	614,612	614,612	-
Purchased Professional - Educational Services	11-000-217-320	2,020,520	251,609	2,272,129	2,217,959	54,170
Total Other Support Services - Students - Regular:		2,951,388	(64,647)	2,886,741	2,832,571	54,170
Guidance:						
Salaries of Other Professional Staff	11-000-218-104	2,185,321	(101,171)	2,084,150	2,084,150	-
Salaries of Secretarial and Clerical Assistants	11-000-218-105	323,462	(31,326)	292,136	289,669	2,467
Purchased Professional - Educational Services	11-000-218-320	195,588	(150,850)	44,738	34,715	10,023
Other Purchased Professional and Technical Services	11-000-218-390	8,561	-	8,561	6,559	2,002
Other Purchased Services	11-000-218-500	5,860	(2,580)	3,280	1,946	1,334
Supplies and Materials	11-000-218-600	34,172	9,448	43,620	35,787	7,833
Other Objects	11-000-218-800	45,534	(1,858)	43,676	33,474	10,202
Total Guidance		2,798,498	(278,337)	2,520,161	2,486,300	33,861

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Child Study Teams						
Salaires of Other Professional Staff	11-000-219-104	2,758,933	(245,727)	2,513,206	2,513,206	-
Salaries of Secretarial and Clerical Assistants	11-000-219-105	321,389	1,122	322,511	322,511	-
Other Salaries	11-000-219-110	2,000	70,878	72,878	72,829	49
Purchased Professional - Educational Services	11-000-219-320	79,250	172,440	251,690	243,260	8,430
Other Purchased Professional and Technical Services	11-000-219-390	40,000	(40,000)	-	-	-
Other Purchased Services (400-500 series)	11-000-219-500	13,880	(8,800)	5,080	3,933	1,147
Supplies and Materials	11-000-219-600	24,077	9,667	33,744	33,742	2
Other Objects	11-000-219-800	26,383	(3,896)	22,487	22,487	-
Total Child Study Teams		3,265,912	(44,316)	3,221,596	3,211,968	9,628
Improvement of Instruction Services:						
Salaries of Supervisor of Instruction	11-000-221-102	1,544,146	356,383	1,900,529	1,900,529	-
Salaries of Other Professional Staff	11-000-221-104	218,578	(42,796)	175,782	175,782	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	241,640	66,495	308,135	308,135	-
Other Salaries	11-000-221-110	75,000	2,289	77,289	77,289	-
Salaries of Facilitators, Math & Literacy Coaches	11-000-221-176	1,934,564	(82,283)	1,852,281	1,852,281	-
Purchased Professional - Educational Services	11-000-221-320	24,217	1,211	25,428	25,428	-
Other Purchased Services	11-000-221-500	33,650	(5,665)	27,985	16,168	11,817
Supplies and Materials	11-000-221-600	10,657	1,014	11,671	8,243	3,428
Other Objects	11-000-221-800	36,999	8,793	45,792	30,143	15,649
Total Improvement of Instruction Services		4,119,451	305,441	4,424,892	4,393,998	30,894
Educational Media Services/School Library:						
Salaries	11-000-222-100	621,773	39,324	661,097	661,097	-
Purchased Professional and Technical Services	11-000-222-300	200,000	(187,009)	12,991	3,267	9,724
Supplies and Materials	11-000-222-600	114,348	65	114,413	113,371	1,042
Total Educational Media Services/School Library		936,121	(147,620)	788,501	777,735	10,766
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	14,356	7,644	22,000	22,000	-
Purchased Professional - Educational Services	11-000-223-320	131,575	(17,926)	113,649	104,069	9,580
Purchased Professional and Technical Services	11-000-223-390	4,000	10,550	14,550	9,590	4,960
Other Purchased Services	11-000-223-500	37,455	(12,165)	25,290	15,323	9,967
Supplies and Materials	11-000-223-600	29,460	(2,911)	26,549	24,059	2,490
Total Instructional Staff Training Services		216,846	(14,808)	202,038	175,041	26,997
Support Services General Administration:						
Salaries	11-000-230-100	906,716	(15,000)	891,716	890,034	1,682
Legal Services	11-000-230-331	295,000	(35,913)	259,087	218,015	41,072
Audit Fees	11-000-230-332	75,000	6,940	81,940	81,437	503
Architectural/Engineering Services	11-000-230-334	45,000	20,433	65,433	41,813	23,620
Other Purchased Professional Services	11-000-230-339	68,872	(27,300)	41,572	36,500	5,072
Purchased Technical Services	11-000-230-340	182,518	(5,096)	177,422	144,120	33,302
District Insurance	11-000-230-520	-	102,950	102,950	75,548	27,402
Communications/Telephone	11-000-230-530	519,880	133,813	653,693	564,972	88,721
BOE Other Purchased Services	11-000-230-585	8,500	-	8,500	7,796	704
Miscellaneous Purchased Services	11-000-230-590	212,927	(206,549)	6,378	6,053	325
General Supplies	11-000-230-610	7,900	4,500	12,400	6,089	6,311
BOE In-House Training/Meeting Supplies	11-000-230-630	5,000	-	5,000	2,420	2,580
Judgments Against the School District	11-000-230-820	25,000	(22,000)	3,000	-	3,000
Miscellaneous Expenditures	11-000-230-890	3,845	1,155	5,000	5,000	-
BOE Membership Dues and Fees	11-000-230-895	45,070	(4,950)	40,120	38,778	1,342
Total Support Services General Administration		2,401,228	(47,017)	2,354,211	2,118,575	235,636
Support Services School Administration:						
Salaries of Principal/Assistant Principals/Program Directors	11-000-240-103	2,881,211	27,329	2,908,540	2,908,540	-
Salaries of Other Professional Staff	11-000-240-104	665,340	237,130	902,470	902,470	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	1,938,163	(60,876)	1,877,287	1,877,287	-
Other Salaries	11-000-240-110	-	39,313	39,313	39,313	-
Purchased Professional and Technical Services	11-000-240-300	26,450	10,370	36,820	35,800	1,020
Other Purchased Services	11-000-240-500	12,950	500	13,450	11,039	2,411
Supplies and Materials	11-000-240-600	84,608	40,981	125,589	114,232	11,357
Other Objects	11-000-240-800	19,550	3,776	23,326	23,326	-
Total Support Services School Administration		5,628,272	298,523	5,926,795	5,912,007	14,788

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Central Services:						
Salaries	11-000-251-100	1,501,819	26,470	1,528,289	1,528,289	-
Purchased Technical Services	11-000-251-340	129,814	57,482	187,296	184,271	3,025
Miscellaneous Purchased Services	11-000-251-592	41,500	(22,340)	19,160	16,643	2,517
Supplies and Materials	11-000-251-600	26,631	16,361	42,992	39,346	3,646
Miscellaneous Expenditures	11-000-251-890	22,675	20,489	43,164	38,479	4,685
Total Central Services		1,722,439	98,462	1,820,901	1,807,028	13,873
Administrative Information Technology:						
Salaries	11-000-252-100	909,451	(53,386)	856,065	856,065	-
Purchased Technical Services	11-000-252-340	180,396	(30,185)	150,211	150,211	-
Other Purchased Services	11-000-252-500	22,500	(14,515)	7,985	7,256	729
Supplies and Materials	11-000-252-600	104,246	(11,185)	93,061	89,640	3,421
Total Administrative Information Technology		1,216,593	(109,271)	1,107,322	1,103,172	4,150
Required Maintenance for School Facilities:						
Cleaning, Repair, and Maintenance Services	11-000-261-420	405,238	259,667	664,905	434,966	229,939
Travel	11-000-261-580	-	2,300	2,300	2,210	90
General Supplies	11-000-261-610	264,390	(39,521)	224,869	219,164	5,705
Other Objects	11-000-261-800	22,468	2,806	25,274	22,524	2,750
Total Allowable Maintenance for School Facilities		692,096	225,252	917,348	678,864	238,484
Custodial Services:						
Salaries	11-000-262-100	4,832,790	15,115	4,847,905	4,847,905	-
Purchased Professional and Technical Services	11-000-262-300	10,192	(1,690)	8,502	8,502	-
Cleaning, Repair, and Maintenance Services	11-000-262-420	230,367	(13,884)	216,483	204,403	12,080
Other Purchased Property Services	11-000-262-490	268,324	(15,578)	252,746	252,746	-
Insurance	11-000-262-520	772,841	202,811	975,652	975,652	-
General Supplies	11-000-262-610	154,138	107,717	261,855	259,146	2,709
Energy (Natural Gas)	11-000-262-621	762,835	61,717	824,552	824,552	-
Energy (Electricity)	11-000-262-622	1,851,330	(281,259)	1,570,071	1,570,071	-
Energy (Gasoline)	11-000-262-626	9,285	9,000	18,285	14,950	3,335
Other Objects	11-000-262-800	1,393	18,000	19,393	12,793	6,600
Interest - Energy Savings Impr Prog Bonds	11-000-262-837	158,558	-	158,558	158,557	1
Principal - Energy Savings Impr Prog Bonds	11-000-262-917	318,000	-	318,000	318,000	-
Total Custodial Services		9,370,053	101,949	9,472,002	9,447,277	24,725
Care & Upkeep of Grounds:						
Salaries	11-000-263-100	629,564	27,841	657,405	657,405	-
Cleaning, Repair, and Maintenance Services	11-000-263-420	87,874	(17,931)	69,943	61,410	8,533
General Supplies	11-000-263-610	71,859	5,661	77,520	74,402	3,118
Equipment	11-000-263-730	-	4,000	4,000	3,598	402
Total Care & Upkeep of Grounds		789,297	19,571	808,868	796,815	12,053
Security:						
Salaries	11-000-266-100	1,989,108	263,251	2,252,359	2,247,100	5,259
Purchased Professional and Technical Equipment	11-000-266-300	1,107,694	(129,890)	977,804	946,069	31,735
Cleaning, Repair, and Maintenance Services	11-000-266-420	10,500	(3,500)	7,000	-	7,000
General Supplies	11-000-266-610	20,000	15,971	35,971	35,939	32
Total Security		3,127,302	145,832	3,273,134	3,229,108	44,026

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Student Transportation Services:						
Salaries for Non-Instructional Aides	11-000-270-107	75,281	(19,263)	56,018	56,018	-
Salaries for Pupil Transportation (Between Home and School) - Regul	11-000-270-160	233,553	(42,736)	190,817	190,817	-
Salaries for Pupil Transportation (Between Home and School) - Specie	11-000-270-161	331,646	18,592	350,238	350,238	-
Management Fee - ESC & CTSA Transportation Program	11-000-270-350	108,353	22,999	131,352	131,352	-
Other Purchased Professional and Technical Services	11-000-270-390	358,770	(343,500)	15,270	14,156	1,114
Cleaning, Repair & Maintenance Services	11-000-270-420	230,491	3,509	234,000	181,042	52,958
Contracted Services - Aid In Lieu Payments - Nonpublic Schools	11-000-270-503	600,000	98,821	698,821	694,377	4,444
Contracted Services - Aid In Lieu Payments - Charter Schools	11-000-270-504	44,737	(20,902)	23,835	23,835	-
Contracted Services (Between Home and School) - Vendors	11-000-270-511	4,723,856	(225,751)	4,498,105	4,498,105	-
Contracted Services (Other than Between Home and School) - Vendor	11-000-270-512	458,480	(125,919)	332,561	331,852	709
Contracted Services (Between Home and School) - Joint Agreement	11-000-270-513	32,640	56,163	88,803	83,453	5,350
Contracted Services (Special Ed Students) - Vendors	11-000-270-514	4,473,073	1,662,378	6,135,451	6,123,261	12,190
Contracted Services (Regular Students) - ESCs & CTSA	11-000-270-517	776,072	35,324	811,396	811,396	-
Contracted Services (Special Ed Students) - ESCs & CTSA	11-000-270-518	2,600,636	246,180	2,846,816	2,845,084	1,732
Miscellaneous Purchased Services - Transportation	11-000-270-593	1,732	(1,732)	-	-	-
General Supplies	11-000-270-610	4,590	(3,990)	600	600	-
Miscellaneous Expenditures	11-000-270-800	1,836	(51)	1,785	1,785	-
Total Student Transportation Services		15,055,746	1,360,122	16,415,868	16,337,371	78,497
Unallocated Benefits - Employee Benefits						
Group Insurance	11-000-291-210	1,200	165	1,365	1,365	-
Social Security Contributions	11-000-291-220	1,904,640	70,153	1,974,793	1,974,793	-
Other Retirement Contributions - PERS	11-000-291-241	2,912,370	(229,301)	2,683,069	2,683,069	-
Other Retirement Contributions - Regular	11-000-291-249	40,000	(13,952)	26,048	26,048	-
Workmen's Compensation	11-000-291-260	978,780	(24,071)	954,709	954,709	-
Health Benefits	11-000-291-270	24,455,795	(1,629,336)	22,826,459	21,941,818	884,641
Tuition Reimbursement	11-000-291-280	130,000	(24,921)	105,079	105,079	-
Other Employee Benefits	11-000-291-290	69,100	(17,124)	51,976	49,976	2,000
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	1,600	2,160	3,760	3,760	-
Total Unallocated Benefits - Employee Benefits		30,493,485	(1,866,227)	28,627,258	27,740,617	886,641
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	21,481,314	(21,481,314)
On-Behalf TPAF Medical Contributions		-	-	-	5,643,089	(5,643,089)
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	9,668	(9,668)
Reimbursed TPAF Social Security Contributions		-	-	-	4,334,663	(4,334,663)
Total Undistributed Expenditures		96,093,470	286,023	96,379,493	125,988,748	(29,609,255)
Total Expenditures - Current Expense		152,736,825	1,436,271	154,173,096	183,219,205	(29,046,109)
Capital Outlay:						
Interest Deposit to Capital Reserve	10-604	1,500	(1,500)	-	-	-
Interest Deposit to Maintenance Reserve	10-606	500	(500)	-	-	-
Equipment:						
Required Maintenance for School Facilities	12-000-261-730	-	8,000	8,000	7,974	26
Care and Upkeep of Grounds	12-000-263-730	-	152,365	152,365	69,932	82,433
Security	12-000-266-730	-	50,000	50,000	49,941	59
Non-Instructional Supplies	12-000-270-732	-	10,800	10,800	10,778	22
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on SDA Funding	12-000-400-896	166,967	33	167,000	166,967	33
Total Capital Outlay		168,967	219,198	388,165	305,592	82,573
Assets Acquired Under Financed Purchases (Nonbudgeted):		-	-	-	286,370	(286,370)
Total Assets Acquired Under Financed Purchases (Nonbudgeted)		-	-	-	286,370	(286,370)
Transfers to Charter Schools	10-000-100-56X	19,227,900	(78,309)	19,149,591	19,149,591	-
Total Expenditures		172,133,692	1,577,160	173,710,852	202,960,758	(29,249,906)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(2,433,214)	(1,577,160)	(4,010,374)	60,314	4,070,688

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBERS	JUNE 30, 2023			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET ACTUAL	
Other Financing Sources/(Uses):					
Transfer from Capital Reserve to Capital Projects	12-000-400-931	(3,800,000)	-	(3,800,000)	(3,800,000)
Financed Purchases (Nonbudgeted)		-	-	-	286,370
Total Other Financing Sources/(Uses)		(3,800,000)	-	(3,800,000)	(3,513,630)
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures After Other Financing Sources/(Uses)		(6,233,214)	(1,577,160)	(7,810,374)	(3,453,316)
Fund Balances, July 1		25,231,879	-	25,231,879	25,231,879
Fund Balances, June 30		<u>\$ 18,998,665</u>	<u>\$ (1,577,160)</u>	<u>\$ 17,421,505</u>	<u>\$ 21,778,563</u>

RECAPITULATION OF BUDGET TRANSFERS:

Prior Year Encumbrances	<u>\$ 1,577,160</u>
Total	<u>\$ 1,577,160</u>

RECAPITULATION OF FUND BALANCE:

Restricted Fund Balance:	
Capital Reserve	\$ 8,476,032
Maintenance Reserve	2,035,831
Emergency Reserve	1,000,000
Excess Surplus	1,502,825
Excess Surplus Designated for Subsequent Year	1,502,825
Unemployment	1,466,471
Assigned Fund Balance:	
Year-End Encumbrances	2,013,316
Unassigned Fund Balance	<u>3,781,263</u>
Subtotal	21,778,563
Reconciliation to Governmental Funds Statements (GAAP)	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,428,207)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 20,350,356</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE POSITIVE/ (NEGATIVE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
REVENUES					
Federal Sources	\$ 9,708,276	\$ 3,596,644	\$ 13,304,920	\$ 8,618,631	\$ (4,686,289)
State Sources	10,011,518	(13,195)	9,998,323	7,622,547	(2,375,776)
Other Sources	293,320	(110,192)	183,128	1,019,933	836,805
Total Revenues	<u>20,013,114</u>	<u>3,473,257</u>	<u>23,486,371</u>	<u>17,261,111</u>	<u>(6,225,260)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,758,775	1,909,237	4,668,012	3,263,120	1,404,892
Other Salaries	1,026,003	518,948	1,544,951	1,463,233	81,718
Purchased Professional Educational Services	691,393	213,807	905,200	811,481	93,719
Other Purchased Services	1,280,834	302,522	1,583,356	1,312,063	271,293
General Supplies and Materials	565,248	1,378,455	1,943,703	372,735	1,570,968
Total Instruction	<u>6,322,253</u>	<u>4,322,969</u>	<u>10,645,222</u>	<u>7,222,632</u>	<u>3,422,590</u>
Support Services:					
Salaries of Supervisors	139,587	-	139,587	139,587	-
Salaries of Other Professional Staff	100,000	648,332	748,332	451,779	296,553
Salaries of Secretarial and Clerical Assistants	95,801	28,132	123,933	56,228	67,705
Salaries of Teachers	100,000	285,597	385,597	90,943	294,654
Salaries of Master Teachers	150,000	353	150,353	145,558	4,795
Personal Services - Employee Benefits	1,909,355	(338,344)	1,571,011	1,396,243	174,768
Purchased Professional - Educational Services	3,585,655	(698,103)	2,887,552	2,866,104	21,448
Rentals	584,478	150,522	735,000	624,995	110,005
Cleaning Repairs and Maintenance	25,000	312,491	337,491	337,491	-
Other Purchased Professional Services	2,883,081	(91,551)	2,791,530	1,745,874	1,045,656
Tuition	2,107,309	(808,996)	1,298,313	1,292,001	6,312
Travel	25,000	30,555	55,555	3,598	51,957
Supplies and Materials	50,000	1,511,895	1,561,895	211,440	1,350,455
Student Activities	5,000	-	5,000	655,811	(650,811)
Total Support Services	<u>11,760,266</u>	<u>1,030,883</u>	<u>12,791,149</u>	<u>10,017,652</u>	<u>2,773,497</u>
Capital Outlay:					
Instructional Equipment	500,000	(475,000)	25,000	5,306	19,694
Non-Instructional Equipment	1,430,595	(1,405,595)	25,000	-	25,000
Total Capital Outlay	<u>1,930,595</u>	<u>(1,880,595)</u>	<u>50,000</u>	<u>5,306</u>	<u>44,694</u>
Total Expenditures	<u>20,013,114</u>	<u>3,473,257</u>	<u>23,486,371</u>	<u>17,245,590</u>	<u>6,240,781</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,521</u>	<u>\$ 15,521</u>
Fund Balance, July 1				<u>276,672</u>	
Fund Balance, June 30				<u>\$ 292,193</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>292,193</u>	
Total Fund Balance				<u>\$ 292,193</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 203,021,072	\$ 17,261,111
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(426,433)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,473,896	-
State aid payments recognized for budgetary purposes, not recognized for GAAP statements	(1,428,207)	(776,564)
	\$ 203,066,761	\$ 16,058,114
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 202,960,758	\$ 17,245,590
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is 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.	-	(426,433)
	\$ 202,960,758	\$ 16,819,157
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)		

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.23668%	0.23668%	0.23371%	0.22614%	0.23090%	0.22235%	0.21796%	0.22744%	0.22739%	0.22238%
School District's proportionate share of the net pension liability	\$ 30,862,353	\$ 28,038,002	\$ 38,113,383	\$ 40,746,829	\$ 45,462,208	\$ 51,759,670	\$ 6,455,228	\$ 51,054,809	\$ 42,572,869	\$ 42,502,178
School District's covered payroll	17,276,313	15,180,586	17,124,714	16,458,036	15,942,681	15,947,892	15,140,829	15,066,990	15,250,010	15,284,217
School District's proportionate share of the net pension liability as a percentage of its covered payroll	178.64%	184.70%	222.56%	247.58%	272.67%	316.69%	429.13%	348.07%	271.94%	278.61%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 2,578,884	\$ 2,771,769	\$ 2,556,766	\$ 2,199,678	\$ 2,296,666	\$ 2,059,841	\$ 1,936,287	\$ 1,955,339	\$ 1,874,537	\$ 1,675,625
Contributions in relation to the contractually required contribution	(2,578,884)	(2,771,769)	(2,556,766)	(2,199,678)	(2,267,094)	(2,026,354)	(2,286,000)	(1,988,690)	(2,012,491)	(1,673,326)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

School District's covered payroll	\$17,276,313	\$ 15,180,586	\$17,124,714	\$ 16,458,036	\$ 15,942,681	\$ 15,947,892	\$ 15,140,829	\$ 15,066,990	\$ 15,250,010	\$ 15,284,217
Contributions as a percentage of covered payroll	14.93%	18.26%	14.93%	13.37%	14.41%	12.92%	12.79%	12.98%	12.29%	10.96%

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 272,070,429	\$ 255,899,338	\$ 341,911,185	\$ 323,508,309	\$ 339,405,337	\$ 348,623,835	\$ 405,403,933	\$ 334,421,129	\$ 279,830,750	\$ 276,254,711
	<u>\$ 272,070,429</u>	<u>\$ 255,899,338</u>	<u>\$ 341,911,185</u>	<u>\$ 323,508,309</u>	<u>\$ 339,405,337</u>	<u>\$ 348,623,835</u>	<u>\$ 405,403,933</u>	<u>\$ 334,421,129</u>	<u>\$ 279,830,750</u>	<u>\$ 276,254,711</u>
School District's covered payroll	\$ 58,759,079	\$ 59,887,289	\$ 58,118,569	\$ 57,232,195	\$ 54,724,475	\$ 55,248,712	\$ 53,372,315	\$ 51,907,424	\$ 51,889,123	\$ 51,771,553
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability Associated with the District						
Service Cost	\$ 15,713,877	\$ 18,762,396	\$ 10,087,257	\$ 9,572,781	\$ 10,648,611	\$ 12,978,426
Interest Cost	6,489,959	7,670,826	7,431,464	8,831,577	9,413,944	8,047,596
Change in Benefit Terms	-	(314,747)	-	-	-	-
Difference Between Expected and Actual	(1,094,859)	(61,863,463)	58,552,999	(31,951,604)	(22,392,077)	-
Changes of Assumptions	(65,694,994)	291,732	61,558,671	3,057,470	(25,436,444)	(33,708,575)
Contributions: Member	206,230	(6,042,470)	(5,866,938)	(6,294,749)	(5,927,077)	(6,259,886)
Gross Benefit Payments	(6,428,508)	196,097	177,832	186,584	204,855	230,505
Net Change in Total OPEB Liability Associated with the District	(50,808,295)	(41,299,629)	131,941,285	(16,597,941)	(33,488,188)	(18,711,934)
Total OPEB Liability Associated with the District (Beginning)	295,702,260	337,001,889	205,060,604	221,658,545	255,146,733	273,858,667
Total OPEB Liability Associated with the District (Ending)	\$ 244,893,965	\$ 295,702,260	\$ 337,001,889	\$ 205,060,604	\$ 221,658,545	\$ 255,146,733
District's Covered Employee Payroll	\$ 76,035,392	\$ 75,067,875	\$ 105,800,246	\$ 73,690,231	\$ 70,667,156	\$ 71,196,604
Net OPEB Liability Associated with the District as a Percentage of Payroll	322.08%	393.91%	318.53%	278.27%	313.67%	358.37%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	FY 22		FY22		FY 22			IDEA	
	Title I	Title I	Title II	Title II	Title III	Immigrant	Title IV	Regular	Preschool
Revenues:									
Federal Source	\$ 684,789	\$ 159,995	\$ 5,439	\$ 137,695	\$153,086	\$ 9,268	\$45,277	\$ 2,626,250	\$ 66,534
Total Revenues	<u>\$ 684,789</u>	<u>\$ 159,995</u>	<u>\$ 5,439</u>	<u>\$ 137,695</u>	<u>\$153,086</u>	<u>\$ 9,268</u>	<u>\$45,277</u>	<u>\$ 2,626,250</u>	<u>\$ 66,534</u>
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 128,920	\$ 26,846	\$ -	\$ -	\$ -	\$ -	\$ 6,272	\$ 98,860	\$ 50,000
Other Salaries	134,589	23,209	-	-	69,878	366	-	254,837	-
Purchased Professional Services	13,569	34,579	-	-	-	-	-	42,052	-
Supplies and Materials	83,394	39,527	-	-	-	8,902	5	-	11,476
Total Instruction	<u>360,472</u>	<u>124,161</u>	<u>-</u>	<u>-</u>	<u>69,878</u>	<u>9,268</u>	<u>6,277</u>	<u>395,749</u>	<u>61,476</u>
Support Services:									
Salaries of Teachers	-	-	2,454	-	-	-	-	67,975	-
Salaries of Other Professional Staff	114,203	25,851	-	35,053	6,701	-	-	-	-
Personal Services -									
Employee Benefits	82,949	-	-	14,460	-	-	-	-	5,058
Purchased Professional -									
Educational Services	72,140	1,000	-	54,600	20,250	-	37,000	844,645	-
Tuition	-	-	-	-	-	-	-	1,292,001	-
Other Purchased Services	30,287	-	2,985	9,878	54,255	-	-	327	-
Supplies and Materials	24,738	8,983	-	23,704	2,002	-	2,000	25,553	-
Total Support Services	<u>324,317</u>	<u>35,834</u>	<u>5,439</u>	<u>137,695</u>	<u>83,208</u>	<u>-</u>	<u>39,000</u>	<u>2,230,501</u>	<u>5,058</u>
Total Expenditures	<u>\$ 684,789</u>	<u>\$ 159,995</u>	<u>\$ 5,439</u>	<u>\$ 137,695</u>	<u>\$153,086</u>	<u>\$ 9,268</u>	<u>\$45,277</u>	<u>\$ 2,626,250</u>	<u>\$ 66,534</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	NJ Nonpublic Handicapped Services, Ch. 193					
	Nonpublic Nursing	Nonpublic Technology	Supplemental Instruction	Transportation	Examination and Classification	Corrective Speech
Revenues:						
State Sources	\$ 140,112	\$ 50,442	\$ 31,718	\$ 15,346	\$ 25,715	\$ 14,880
Total Revenues	\$ 140,112	\$ 50,442	\$ 31,718	\$ 15,346	\$ 25,715	\$ 14,880
Expenditures:						
Instruction:						
Purchased Professional Services	\$ -	\$ -	\$ 31,718	\$ 15,346	\$ 25,715	\$ 14,880
Other Purchased Services	140,112	50,442	-	-	-	-
Total Instruction	140,112	50,442	31,718	15,346	25,715	14,880
Total Expenditures	\$ 140,112	\$ 50,442	\$ 31,718	\$ 15,346	\$ 25,715	\$ 14,880

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>NJ Nonpublic Auxilliary Services, Ch. 192</u>				
	Compensatory Education		Nonpublic Security Aid	SDA Emergent Needs FY22	Preschool Education Aid
Revenues:					
State Sources	\$ 75,805		\$ 255,430	\$ 337,491	\$ 6,675,608
Local Sources	-		-	-	288,320
Total Revenues	<u>\$ 75,805</u>		<u>\$ 255,430</u>	<u>\$ 337,491</u>	<u>\$ 6,963,928</u>
Expenditures:					
Instruction:					
Salaries of Teachers	-		-	-	\$ 2,518,410
Other Salaries	-		-	-	980,354
Purchased Professional Services	75,805		255,430	-	25,353
Supplies and Materials	-		-	-	22,745
Total Instruction	<u>75,805</u>		<u>255,430</u>	<u>-</u>	<u>3,546,862</u>
Support Services:					
Salaries of Supervisors	-		-	-	139,587
Salaries of Other Professional Staff	-		-	-	203,456
Salaries of Secreterial and Clerical Assistants	-		-	-	56,228
Salaries of Master Teachers	-		-	-	145,558
Personal Services - Employee Benefits	-		-	-	1,195,738
Purchased Professional - Educational Services	-		-	-	905,909
Cleaning, Repairs and Maintenance	-		-	337,491	-
Other Purchased Professional Services	-		-	-	721,364
Travel	-		-	-	3,598
Supples and Materials	-		-	-	40,322
Total Support Services	<u>-</u>		<u>-</u>	<u>337,491</u>	<u>3,411,760</u>
Capital outlay:					
Instructional Equipment	-		-	-	5,306
Total Capital Outlay	<u>-</u>		<u>-</u>	<u>-</u>	<u>5,306</u>
Total Expenditures	<u>\$ 75,805</u>		<u>\$ 255,430</u>	<u>\$ 337,491</u>	<u>\$ 6,963,928</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ARP ESSER GRANT				CRRSA ACT		
	ESSER III	ACCELERATED LEARNING	EVIDENCE BASED SUMMER LEARNINC	MENTAL HEALTH	ESSER II	ACCELERATED LEARNING	MENTAL HEALTH
Revenues:							
Federal Source	\$ 2,360,954	\$ 179,274	\$ 9,127	\$ 88,501	\$ 803,472	\$ 122,655	\$ 34,900
Total Revenues	<u>\$ 2,360,954</u>	<u>\$ 179,274</u>	<u>\$ 9,127</u>	<u>\$ 88,501</u>	<u>\$ 803,472</u>	<u>\$ 122,655</u>	<u>\$ 34,900</u>
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 3,467	\$ -	\$ -	\$ -	\$ 389,429	\$ 22,127	\$ -
Purchased Professional Services	184,753	-	-	-	13,504	43,717	-
Other Purchased Services	8,330	-	-	-	-	-	-
Supplies and Materials	18,235	-	9,127	-	119,562	35,847	-
Total Instruction	<u>214,785</u>	<u>-</u>	<u>9,127</u>	<u>-</u>	<u>522,495</u>	<u>101,691</u>	<u>-</u>
Support Services:							
Salaries of Teachers	550	-	-	-	-	19,964	-
Salaries of Other Professional Staff	-	-	-	-	66,515	-	-
Personal Services -							
Employee Benefits	-	-	-	-	98,038	-	-
Purchased Professional -							
Educational Services	692,417	-	-	88,501	112,989	1,000	34,900
Rentals	624,995	-	-	-	-	-	-
Other Purchased Services	753,963	169,380	-	-	3,435	-	-
Supplies and Materials	74,244	9,894	-	-	-	-	-
Total Support Services	<u>2,146,169</u>	<u>179,274</u>	<u>-</u>	<u>88,501</u>	<u>280,977</u>	<u>20,964</u>	<u>34,900</u>
Total Expenditures	<u>\$ 2,360,954</u>	<u>\$ 179,274</u>	<u>\$ 9,127</u>	<u>\$ 88,501</u>	<u>\$ 803,472</u>	<u>\$ 122,655</u>	<u>\$ 34,900</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Student Activities	Other Local Grants	PERKINS	ACSERS	Totals
Revenues:					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ 7,622,547
Federal Source	-	-	18,236	1,113,179	8,618,631
Local Sources	671,332	60,281	-	-	1,019,933
Total Revenues	\$ 671,332	\$ 60,281	\$ 18,236	\$ 1,113,179	\$ 17,261,111
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ 18,789	\$ -	\$ -	\$ 3,263,120
Other Salaries	-	-	-	-	1,463,233
Purchased Professional Services	-	25,000	10,060	-	811,481
Other Purchased Services	-	-	-	1,113,179	1,312,063
Supplies and Materials	-	16,492	7,423	-	372,735
Total Instruction	-	60,281	17,483	1,113,179	7,222,632
Support Services:					
Salaries of Supervisors	-	-	-	-	139,587
Salaries of Other Professional Staff	-	-	-	-	451,779
Salaries of Secreterial and Clerical Assistants	-	-	-	-	56,228
Salaries of Teachers	-	-	-	-	90,943
Salaries of Master Teachers	-	-	-	-	145,558
Personal Services - Employee Benefits	-	-	-	-	1,396,243
Purchased Professional - Educational Services	-	-	753	-	2,866,104
Rentals	-	-	-	-	624,995
Cleaning Repairs and Maintenance	-	-	-	-	337,491
Other Purchased Professional Services	-	-	-	-	1,745,874
Tuition	-	-	-	-	1,292,001
Travel	-	-	-	-	3,598
Supples and Materials	-	-	-	-	211,440
Student Activities	655,811	-	-	-	655,811
Total Support Services	655,811	-	753	-	10,017,652
Capital outlay:					
Instructional Equipment	-	-	-	-	5,306
Total Capital Outlay	-	-	-	-	5,306
Total Expenditures	655,811	60,281	18,236	1,113,179	17,245,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,521	-	-	-	15,521
Fund Balance, July 1	276,672	-	-	-	276,672
Fund Balance, June 30	\$ 292,193	\$ -	\$ -	\$ -	\$ 292,193

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	BUDGETED	ACTUAL	VARIANCE
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 2,758,775	\$ 2,518,410	\$ 240,365
Other Salaries	1,026,003	980,354	45,649
Purchased Professional Educational Services	100,000	25,353	74,647
General Supplies and Materials	565,248	22,745	542,503
	<hr/>	<hr/>	<hr/>
Total Instruction	4,450,026	3,546,862	903,164
Support Services:			
Salaries of Supervisors	139,587	139,587	-
Salaries of Other Professional Staff	100,000	203,456	(103,456)
Salaries of Secretarial and Clerical Assistants	95,801	56,228	39,573
Salaries of Master Teachers	-	145,558	(145,558)
Unused Vacation Payment to Retired Staff	273,271	-	273,271
Personal Services - Employee Benefits	1,393,024	1,195,738	197,286
Purchased Professional Services	50,000	16,904	33,096
Purchased Professional Educational	50,000	889,005	(839,005)
Other Purchased Professional - Services	58,081	-	58,081
Travel	25,000	3,598	21,402
Contracted Services	825,000	721,364	103,636
Miscellaneous Purchased Services	25,000	-	25,000
Supplies and Materials	50,000	40,322	9,678
	<hr/>	<hr/>	<hr/>
Total Support Services	3,084,764	3,411,760	(326,996)
Capital Outlay:			
Instructional Equipment	500,000	5,306	494,694
Non-Instructional Equipment	1,430,595	-	1,430,595
	<hr/>	<hr/>	<hr/>
Total Capital Outlay	1,930,595	5,306	1,925,289
Total Expenditures	<u>\$ 9,465,385</u>	<u>\$ 6,963,928</u>	<u>\$ 2,501,457</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 7,765,640
Add: Actual Preschool Education Aid Carryover (June 30, 2022)	4,809,019
Add: Budgeted Transfer from the General Fund	<u>288,320</u>
Total Preschool Education Aid Funds Available for 2022-2023 Budget	12,862,979
Less: 2022-2023 Budgeted Preschool Education Aid (Prior Year Budget Carryover)	<u>(9,465,385)</u>
Available & Unbudgeted Preschool Education Aid Funds June 30, 2023	3,397,594
Add: June 30, 2023 Unexpended Preschool Education Aid	<u>2,501,457</u>
Total Actual Preschool Education Aid Carryover	<u>\$ 5,899,051</u>
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-2024	<u>\$ 3,691,011</u>

F. Capital Projects Fund

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2023**

PROJECT	APPROPRIATION	EXPENDITURES TO DATE		TRANSFERS TO/FROM CANCELLATION OF			UNEXPENDED
		PRIOR	CURRENT	OTHER PROJECTS	RECEIVABLE		
Sampson G. Smith HVAC	\$ 200,120	\$ 184,889	\$ -	\$ (15,231)	\$ -	\$ -	
Energy Savings Incentive Program	7,735,000	7,623,159	-	(111,841)	-	-	
Various renovations, alterations and improvements- 2014	87,272,985	87,681,134	-	408,149	414,464	(414,464)	
Sampson G. Smith- Girls Locker Room	567,375	117,491	-	(281,077)	-	168,807	
Franklin High School- Paving	70,000	32,147	-	-	-	37,853	
Franklin Park School- Paving	46,880	22,162	-	-	-	24,718	
Sampson G. Smith- Kitchen	908,940	879,678	-	-	-	29,262	
Franklin High School Tennis Courts	1,098,027	919,018	-	-	-	179,009	
FY 20 & 21 Various Capital Improvements	8,068,091	7,934,844	-	-	-	133,247	
FY 22 Various Capital Improvements	3,600,000	2,971,257	547,872	-	-	80,871	
FY 23 Various Capital Improvements	3,800,000	-	2,813,201	-	-	986,799	
Total	\$ 108,365,779	\$ 3,361,073	\$ -	\$ 414,464	\$ 1,226,102		

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2023:

Unexpended Project Balances June 30, 2023	\$ 1,226,102
Reserve for Payment of Financed Purchases	5,038
Total Fund Balance (GAAP Basis) - June 30, 2023	\$ 1,231,140

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

Revenues & Other Financing Sources:	
Transfer from Capital Reserve	<u>\$ 3,800,000</u>
Total Revenues & Other Financing Sources	<u>3,800,000</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	213,399
Construction Services	2,795,875
Equipment	351,799
SDA Receivable Cancellation	<u>414,464</u>
Total Expenditures	<u>3,775,537</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>24,463</u>
Fund Balance - Beginning	<u>1,206,677</u>
Fund Balance - Ending	<u><u>\$ 1,231,140</u></u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
SAMPSON G. SMITH HVAC UPGRADE
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 200,120	\$ -	\$ 200,120	\$ 200,120
Total Revenue	200,120	-	200,120	200,120
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	-	-	-
Construction Services	184,889	-	184,889	200,120
Transfer to Other Capital Projects	-	15,231	15,231	-
Total Expenditures & Other Financing Uses	184,889	15,231	200,120	200,120
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 15,231	\$ (15,231)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 194,000
Additional Authorized Cost	\$ 6,120
Revised Authorized Cost	\$ 200,120
Percentage Increase Over Original Authorized Cost	3.15%
Percentage Completion	100.00%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2016/2017

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
ENERGY SAVINGS INCENTIVE PROGRAM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Financing Purchase Proceeds	\$ 7,535,000	\$ -	\$ 7,535,000	\$ 7,535,000
Transfer from Capital Reserve	200,000	-	200,000	200,000
Total Revenue	7,735,000	-	7,735,000	7,735,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	1,478,888	-	1,478,888	1,478,888
Construction Services	6,144,271	-	6,144,271	6,256,112
Transfer to Other Capital Projects	-	111,841	111,841	-
Total Expenditures & Other Financing Uses	7,623,159	111,841	7,735,000	7,735,000
Excess/Deficiency) of Revenues Over/ (Under) Expenditures	\$ 111,841	\$ (111,841)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 7,535,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 7,535,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2019/2020

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS RENOVATIONS, ALTERATIONS AND IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds	\$ 81,480,000	\$ -	\$ 81,480,000	\$ 81,480,000
State Sources - SDA Grant	2,878,845	(414,464)	2,464,381	2,878,845
Transfer from Capital Reserve	2,914,140	-	2,914,140	2,914,140
Transfer from Capital Other Projects	-	408,149	408,149	-
Total Revenue	87,272,985	(6,315)	87,266,670	87,272,985
Expenditures & Other Financing Uses:				
Salaries	51,628	-	51,628	-
Purchased Professional & Technical Services	8,033,972	-	8,033,972	-
Rentals	9,313	-	9,313	-
Construction Services	74,336,320	-	74,336,320	87,272,985
Equipment	101,126	-	101,126	-
Supplies	1,423,994	-	1,423,994	-
Other Objects	724,781	-	724,781	-
Transfer to Debt Service	3,000,000	-	3,000,000	-
Total Expenditures & Other Financing Uses	87,681,134	-	87,681,134	87,272,985
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ (408,149)	\$ (6,315)	\$ (414,464)	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	Various
Grant Date	Various
Grant Number	Various
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 84,897,326
Additional Authorized Cost	\$ 2,369,344
Revised Authorized Cost	\$ 87,266,670
Percentage Increase Over Original Authorized Cost	2.79%
Percentage Completion	100.47%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2020/2021

<u>Analysis of SDA Grants</u>	<u>DOE Project #</u>	<u>Grant #</u>	<u>Revised Amount</u>
Sampson G. Smith School	1610-150-14-1029	G5-6045	\$ 179,178
Pine Grove Manor School	1610-140-14-1017	G5-6356	178,762
Franklin Middle School	1610-160-14-1025	G5-6356	205,000
Sampson G. Smith School	1610-150-14-1022	G5-6355	451,804
Conerly Road School	1610-055-14-1006	G5-6350	470,290
MacAfee School	1610-115-14-1016	G5-6353	287,259
Hillcrest School	1610-100-14-1011	G5-6352	530,761
Sampson G. Smith School	1610-150-14-1021	G5-6044	217,623
Franklin Park School	1610-080-14-1010	G5-6351	37,848
Hillcrest School	1610-100-14-1013	G5-5798	320,320
			<u>\$ 2,878,845</u>

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
SAMPSON G. SMITH- GIRLS LOCKER ROOM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 567,375	\$ -	\$ 567,375	\$ 567,375
Total Revenue	567,375	-	567,375	567,375
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	7,750	-	7,750	7,750
Construction Services	109,741	-	109,741	559,625
Transfer to Other Capital Projects	-	281,077	281,077	-
Total Expenditures & Other Financing Uses	117,491	281,077	398,568	567,375
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 449,884	\$ (281,077)	\$ 168,807	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 567,375
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 567,375
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	70.25%
Original Target Completion Date	2016/2017
Revised Target Completion Date	2018/2019

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
HIGH SCHOOL-PAVING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 70,000	\$ -	\$ 70,000	\$ 70,000
Total Revenue	70,000	-	70,000	70,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	32,147	-	32,147	32,147
Construction Services	-	-	-	37,853
Total Expenditures & Other Financing Uses	32,147	-	32,147	70,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 37,853	\$ -	\$ 37,853	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 70,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 70,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	45.92%
Original Target Completion Date	2017/2018
Revised Target Completion Date	2020/2021

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
FRANKLIN PARK SCHOOL-PAVING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 46,880	\$ -	\$ 46,880	\$ 46,880
Total Revenue	46,880	-	46,880	46,880
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	22,162	-	22,162	22,162
Construction Services	-	-	-	24,718
Total Expenditures & Other Financing Uses	22,162	-	22,162	46,880
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 24,718	\$ -	\$ 24,718	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 50,000
Additional Authorized Cost	\$ 3,120
Revised Authorized Cost	\$ 46,880
Percentage Increase Over Original Authorized Cost	6.24%
Percentage Completion	47.27%
Original Target Completion Date	2017/2018
Revised Target Completion Date	2020/2021

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
SAMPSON G. SMITH- KITCHEN UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 624,790	\$ -	\$ 624,790	\$ 624,790
Transfer from Food Service	284,150	-	284,150	284,150
Total Revenue	908,940	-	908,940	908,940
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	4,246	-	4,246	4,246
Construction Services	875,432	-	875,432	904,694
Total Expenditures & Other Financing Uses	879,678	-	879,678	908,940
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 29,262</u>	<u>\$ -</u>	<u>\$ 29,262</u>	<u>\$ -</u>

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 484,150
Additional Authorized Cost	\$ 424,790
Revised Authorized Cost	\$ 908,940
Percentage Increase Over Original Authorized Cost	87.74%
Percentage Completion	96.78%
Original Target Completion Date	2017/2018
Revised Target Completion Date	2018/2019

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
HIGH SCHOOL- TENNIS COURTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,098,027	\$ -	\$ 1,098,027	\$ 1,098,027
Total Revenue	1,098,027	-	1,098,027	1,098,027
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	107,534	-	107,534	107,534
Construction Services	811,484	-	811,484	990,493
Total Expenditures & Other Financing Uses	919,018	-	919,018	1,098,027
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 179,009	\$ -	\$ 179,009	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,098,027
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,098,027
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	83.70%
Original Target Completion Date	2017/2018
Revised Target Completion Date	2018/2019

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS CAPITAL IMPROVEMENTS- FY21
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 6,910,000	\$ -	\$ 6,910,000	\$ 6,910,000
Transfer from Capital Outlay	1,158,091		1,158,091	1,158,091
Total Revenue	8,068,091	-	8,068,091	8,068,091
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	276,404	-	276,404	276,404
Construction Services	7,482,764	-	7,482,764	7,791,687
Equipment	175,676	-	175,676	-
Total Expenditures & Other Financing Uses	7,934,844	-	7,934,844	8,068,091
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 133,247	\$ -	\$ 133,247	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 4,483,091
Additional Authorized Cost	\$ 3,585,000
Revised Authorized Cost	\$ 8,068,091
Percentage Increase Over Original Authorized Cost	79.97%
Percentage Completion	98.35%
Original Target Completion Date	2020/2021
Revised Target Completion Date	2020/2021

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ 3,600,000	\$ -	\$ 3,600,000	\$ 3,600,000
Total Revenue	3,600,000	-	3,600,000	3,600,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	32,503	-	32,503	88,800
Construction Services	2,664,752	547,872	3,212,624	3,236,649
Equipment	274,002	-	274,002	274,551
Total Expenditures & Other Financing Uses	2,971,257	547,872	3,519,129	3,600,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 628,743	\$ (547,872)	\$ 80,871	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,600,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,600,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	97.75%
Original Target Completion Date	2021/2022
Revised Target Completion Date	2022/2023

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Transfer from Capital Reserve	\$ -	\$ 3,800,000	\$ 3,800,000	\$ 3,800,000
Total Revenue	-	3,800,000	3,800,000	3,800,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	213,399	213,399	213,399
Construction Services	-	2,248,003	2,248,003	3,234,802
Equipment	-	351,799	351,799	351,799
Total Expenditures & Other Financing Uses	-	2,813,201	2,813,201	3,800,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ -	\$ 986,799	\$ 986,799	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Grant Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,800,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 3,800,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	74.03%
Original Target Completion Date	2021/2022
Revised Target Completion Date	2022/2023

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G. Proprietary Funds

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Enterprise Funds

This section has been included in Exhibit B-4, B-5 & B-6

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I. Long-Term Debt

This section is not applicable

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2023**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE	ISSUED	RETIRED	BALANCE
						JULY 1, 2022			JUNE 30, 2023
Refunding School Bonds	6/25/2009	\$ 24,970,000	8/15/2023	\$ 45,000	4.00%	\$ 2,380,000	\$ -	\$ 2,335,000	\$ 45,000
2015 School Bonds	2/10/2015	81,480,000	N/A	N/A	N/A	3,985,000	-	3,985,000	-
Refunding School Bonds	5/26/2016	8,700,000	8/15/2023	2,160,000	3.00%	8,700,000	-	-	8,700,000
			8/15/2024	2,220,000	3.00%				
			8/15/2025	2,180,000	4.00%				
			8/15/2026	2,140,000	4.00%				
Refunding School Bonds	7/7/2021	56,420,000	2/1/2024	4,475,000	0.653%	56,420,000	-	370,000	56,050,000
			2/1/2025	4,510,000	0.940%				
			2/1/2026	4,555,000	1.090%				
			2/1/2027	4,610,000	1.348%				
			2/1/2028	4,680,000	1.498%				
			2/1/2029	4,755,000	1.623%				
			2/1/2030	4,845,000	1.723%				
			2/1/2031	4,840,000	1.823%				
			2/1/2032	4,780,000	2.003%				
			2/1/2033	4,725,000	2.103%				
			2/1/2034	4,665,000	2.223%				
			2/1/2035	4,610,000	2.323%				
Total						\$ 71,485,000	\$ -	\$ 6,690,000	\$ 64,795,000

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

DESCRIPTION	DATE OF NOTE	TERM OF NOTE	AMOUNT OF ORIGINAL PRINCIPAL	INTEREST	AMOUNT		RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2023
					OUTSTANDING JUNE 30, 2022	ISSUED CURRENT YEAR		
ESIP	11/13/2014	10/15/2034	\$ 7,534,000	2.747%	\$ 5,931,000	\$ -	\$ 318,000	\$ 5,613,000
MacBooks	7/15/2021	7/15/2024	1,309,197	0.00%	981,898	-	327,299	654,599
ChromeBooks	6/1/2022	8/15/2025	1,141,680	2.52%	1,141,680	-	291,782	849,898
Server Upgrade	8/15/2022	8/15/2026	268,270	3.93%	-	286,370	20,000	266,370
Total					\$ 8,054,578	\$ 286,370	\$ 957,081	\$ 7,383,867

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 7,291,332	\$ -	\$ 7,291,332	\$ 7,291,332	\$ -
State Sources:					
Debt Service Aid Type II	787,452	-	787,452	787,452	-
Total Revenues	8,078,784	-	8,078,784	8,078,784	-
Expenditures					
Principal on Bonds	6,690,000	-	6,690,000	6,690,000	-
Interest on Bonds	1,388,784	-	1,388,784	1,388,784	-
Total Expenditures	8,078,784	-	8,078,784	8,078,784	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	435,429	-	435,429	435,429	-
Fund Balance, June 30	\$ 435,429	\$ -	\$ 435,429	\$ 435,429	\$ -

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STATISTICAL SECTION (Unaudited)

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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

(accrual basis of accounting)

	FISCAL YEAR ENDING JUNE 30, 2023									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Invested in Capital Assets, Net	\$ 64,955,227	\$ 59,838,205	\$ 57,367,427	\$ 50,024,411	\$ 44,040,614	\$ 62,613,681	\$ 51,827,177	\$ 48,328,719	\$ 41,256,919	\$ 45,676,154
of Related Debt	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678	14,424,083	4,816,020
Restricted	(39,083,316)	(41,117,324)	(47,331,208)	(52,072,020)	(50,110,540)	(46,286,757)	(43,909,435)	(40,364,250)	(40,472,737)	(4,017,309)
Unrestricted										
Total Governmental Activities	\$ 43,814,657	\$ 32,738,678	\$ 27,391,200	\$ 14,980,887	\$ 7,010,406	\$ 31,782,205	\$ 25,962,566	\$ 20,348,147	\$ 15,208,265	\$ 46,474,865
Business-Type Activities:										
Invested in Capital Assets, Net	\$ 361,727	\$ 658,225	\$ 710,768	\$ 757,576	\$ 624,205	\$ 805,981	\$ 814,088	\$ 418,684	\$ 444,798	\$ 406,306
of Related Debt	4,492,724	4,258,753	1,764,036	1,033,870	1,181,260	(696,702)	(1,217,275)	(1,061,651)	(1,234,507)	(1,601,375)
Unrestricted										
Total Business-Type Activities	\$ 4,854,451	\$ 4,916,978	\$ 2,474,804	\$ 1,791,446	\$ 1,805,465	\$ 109,279	\$ (403,187)	\$ (642,967)	\$ (789,709)	\$ (1,195,069)
Government-Wide:										
Invested in Capital Assets, Net	\$ 65,316,954	\$ 60,496,430	\$ 58,078,195	\$ 50,781,987	\$ 44,664,819	\$ 63,419,662	\$ 52,641,265	\$ 48,747,403	\$ 41,701,717	\$ 46,082,460
of Related Debt	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678	14,424,083	4,816,020
Restricted	(34,590,592)	(36,858,571)	(45,567,172)	(51,038,150)	(48,929,280)	(46,983,459)	(45,126,710)	(41,425,901)	(41,707,244)	(5,618,684)
Unrestricted										
Total Government-Wide Net Position	\$ 48,669,108	\$ 37,655,656	\$ 29,866,004	\$ 16,772,333	\$ 8,815,871	\$ 31,891,484	\$ 25,559,379	\$ 19,705,180	\$ 14,418,556	\$ 45,279,796

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 37,146,396	\$ 86,351,899	\$ 89,174,956	\$ 80,580,044	\$ 82,813,828	\$ 82,444,687	\$ 78,178,024	\$ 73,391,280	\$ 65,459,896	\$ 56,162,752
Special Education	19,278,731	32,455,782	37,280,395	32,483,731	30,753,643	32,967,859	32,397,349	30,163,329	30,420,992	26,765,570
Other Special Education	5,747,321	9,276,817	9,368,249	8,602,534	8,976,461	8,350,055	8,437,515	4,264,395	6,549,875	5,728,808
Other Instruction	1,854,208	3,061,507	2,522,719	2,576,587	2,672,974	2,804,768	2,784,142	3,176,903	2,387,505	1,992,940
Support Services:										
Tuition	6,648,875	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	30,836,532	25,193,526	24,315,008	24,335,526	25,575,140	25,286,241	23,648,296	21,534,055	18,343,728	18,398,799
School Administrative Services	5,912,007	9,269,729	10,323,389	9,556,210	9,576,676	9,386,829	9,044,353	8,048,181	8,091,290	7,080,686
Other Administrative Services	2,910,200	3,023,851	2,860,450	2,912,838	2,714,208	2,959,436	2,602,963	2,519,964	2,268,730	2,547,296
Plant Operations & Maintenance	12,370,245	23,383,794	19,522,404	19,755,230	23,154,959	18,678,318	17,727,151	17,306,672	16,484,904	14,556,907
Pupil Transportation	16,337,371	15,528,748	11,374,087	12,764,018	13,316,912	14,050,861	14,113,143	13,746,290	14,119,145	14,071,942
Unallocated Benefits	44,894,055	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools	19,149,591	-	-	-	-	-	-	-	-	-
Interest & Other Charges	764,243	2,419,655	2,511,922	3,088,036	3,349,598	3,458,717	3,765,864	3,910,083	2,387,803	1,449,161
Capital Asset Adjustment	1,500	-	-	-	-	-	-	-	-	-
Unallocated Depreciation	4,753,930	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	208,605,205	209,965,308	209,253,479	196,654,754	202,904,399	200,387,771	192,698,800	178,061,152	166,513,868	148,754,861
Business-Type Activities:										
Food service	3,931,737	5,272,984	2,847,126	3,087,479	3,669,174	3,207,689	3,679,443	3,903,479	3,415,527	3,197,377
Child Care	-	-	251,344	398,804	1,052,787	818,595	789,480	720,928	827,389	960,597
Total Business-Type Activities Expense	3,931,737	5,272,984	3,098,470	3,486,283	4,721,961	4,026,284	4,468,923	4,624,407	4,242,916	4,157,974
Total District Expenses	\$ 212,536,942	\$ 215,238,292	\$ 212,351,949	\$ 200,141,037	\$ 207,626,360	\$ 204,414,055	\$ 197,167,723	\$ 182,685,559	\$ 170,756,784	\$ 152,912,835

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30.										
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ -	\$ 196,376	\$ 286,149	\$ 283,417	\$ 85,455	\$ 454,345	\$ 501,492	\$ 492,641	\$ 340,224	\$ 224,759
Instruction(Regular)	-	-	-	-	-	22,958	4,041	17,680	10,327	6,713
Pupil Transportation	-	-	4,980	11,974	19,365	22,000	35,142	27,219	14,803	6,967
Operations and Maintenance	39,063,920	54,995,220	65,649,610	49,031,286	53,013,409	61,786,833	55,288,979	43,431,077	37,566,708	23,255,831
Operating Grants and Contributions	-	977,895	22,485	214,128	859,068	384,562	833,578	1,966,585	681,110	33,008
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	39,063,920	56,169,491	65,963,224	49,540,805	53,977,297	62,670,698	56,663,232	45,935,202	38,613,172	23,527,278
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	930,072	1,835,165	938,734	786,919	1,206,869	1,214,783	1,273,769	1,280,300	1,345,128	1,231,275
Child Care	-	132,007	90,954	657,355	757,065	787,705	931,737	875,555	892,225	779,896
Operating Grants & Contributions	3,165,181	6,156,912	2,748,677	2,005,576	2,478,996	2,521,957	2,677,555	2,613,245	2,306,793	2,159,203
Total Business Type Activities	4,095,253	8,124,084	3,778,365	3,449,850	4,442,930	4,524,445	4,883,061	4,769,100	4,544,146	4,170,374
Program Revenues										
Total Government-Wide Program Revenues	\$ 43,159,173	\$ 64,293,575	\$ 69,741,589	\$ 52,990,655	\$ 58,420,227	\$ 67,195,143	\$ 61,546,293	\$ 50,704,302	\$ 43,157,318	\$ 27,697,652
Net (Expense)/Revenue:										
Governmental Activities	\$ (169,541,285)	\$ (153,795,817)	\$ (143,290,255)	\$ (147,113,949)	\$ (148,927,102)	\$ (137,717,073)	\$ (136,035,568)	\$ (132,125,950)	\$ (127,900,696)	\$ (125,227,583)
Business-Type Activities	163,516	2,851,100	679,895	(36,433)	(279,031)	498,161	414,138	144,693	301,230	12,400
Total Government-Wide Net Expense	\$ (169,377,769)	\$ (150,944,717)	\$ (142,610,360)	\$ (147,150,382)	\$ (149,206,133)	\$ (137,218,912)	\$ (135,621,430)	\$ (131,981,257)	\$ (127,599,466)	\$ (125,215,183)
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 151,058,310	\$ 148,096,382	\$ 145,192,531	\$ 141,128,111	\$ 137,531,420	\$ 132,453,496	\$ 129,856,369	\$ 127,310,166	\$ 124,774,680	\$ 122,328,118
Property Taxes Levied for Debt Service	7,291,332	7,756,914	7,880,853	8,010,008	7,832,968	8,095,840	8,171,550	6,830,644	4,626,751	4,824,932
Federal & State Aid Not Restricted	9,202,253	6,413,239	6,178,020	6,175,145	6,173,944	6,162,208	6,118,413	5,606,723	5,652,255	5,667,033
Federal & State Aid Restricted	8,631,667	-	-	-	-	-	-	-	-	-
Tuition Charges	157,041	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2,166,007	672,765	545,117	623,420	1,936,577	635,398	676,348	327,667	985,249	410,355
Investment Earnings	-	9,707	126,576	539,160	724,612	517,945	607,324	277,087	53,351	21,682
Transfer	-	413,280	-	-	-	-	179,150	-	-	-
Total Governmental Activities	178,506,610	163,362,287	159,923,097	156,475,844	154,199,521	147,864,887	145,609,154	140,352,287	136,092,286	133,252,120

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Business-Type Activities:										
Investment Earnings	8,818	4,894	3,463	22,414	37,928	14,305	4,792	2,073	1,669	1,985
Special Items	(234,861)	-	-	-	-	-	-	-	-	-
Transfers	-	(413,820)	-	-	-	-	(179,150)	-	-	-
Total Business-Type Activities	(226,043)	(408,926)	3,463	22,414	37,928	14,305	(174,358)	2,073	1,669	1,985
Total Government-Wide	\$ 178,280,567	\$ 162,953,361	\$ 159,926,560	\$ 156,498,258	\$ 154,237,449	\$ 147,879,192	\$ 145,434,796	\$ 140,354,360	\$ 136,093,955	\$ 133,254,105
Change in Net Position:										
Governmental Activities	8,965,325	9,566,470	16,632,842	9,361,895	5,272,419	10,147,814	9,573,586	8,226,337	8,191,590	8,024,537
Business-Type Activities	(62,527)	2,442,174	683,358	(14,019)	(241,103)	512,466	239,780	146,766	302,899	14,385
Total District	\$ 8,902,798	\$ 12,008,644	\$ 17,316,200	\$ 9,347,876	\$ 5,031,316	\$ 10,660,280	\$ 9,813,366	\$ 8,373,103	\$ 8,494,489	\$ 8,038,922

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,200	\$ 12,200	\$ 21,876	\$ 35,335	\$ 5,500
Committed	-	-	-	560,940	1,841,766	694,066	-	-	-	-
Restricted	15,983,984	16,035,058	20,543,544	17,052,241	15,718,429	17,411,830	16,663,302	13,106,296	7,841,547	5,047,571
Assigned	2,013,316	1,577,160	815,901	2,365,147	1,219,687	832,138	253,335	118,255	1,189,076	2,036,714
Unassigned	2,353,056	4,035,111	3,623,344	577,727	694,680	813,838	580,418	284,642	277,833	201,785
Total General Fund	\$ 20,350,356	\$ 21,647,329	\$ 24,982,789	\$ 20,556,055	\$ 19,474,562	\$ 19,764,072	\$ 17,509,255	\$ 13,531,069	\$ 9,343,791	\$ 7,291,570
All Other Governmental Funds:										
Restricted	1,958,762	1,918,778	4,527,267	7,175,836	8,183,410	19,888,865	56,933,623	80,207,818	90,335,118	678,169
Unassigned	(776,564)	-	(589,826)	(497,877)	-	-	-	-	(82,338)	(83,684)
Total All Other Governmental Funds	\$ 1,182,198	\$ 1,918,778	\$ 3,937,441	\$ 6,677,959	\$ 8,183,410	\$ 19,888,865	\$ 56,933,623	\$ 80,207,818	\$ 90,252,780	\$ 594,485

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 158,349,642	\$ 155,853,296	\$ 153,073,384	\$ 149,138,119	\$ 145,364,388	\$ 140,549,336	\$ 138,027,919	\$ 134,140,810	\$ 129,401,431	\$ 127,153,050
Tuition Charges	157,041	-	-	539,160	724,612	517,945	607,324	277,087	53,351	21,682
Interest on Investment	2,000	9,707	126,576	-	-	-	-	-	-	-
Interest on Capital Reserve	-	-	-	-	-	-	-	-	-	-
Rents and Royalties	43,961	-	-	-	-	-	-	-	-	-
Miscellaneous	2,534,510	1,293,507	1,076,909	940,844	2,058,835	1,147,666	1,677,775	881,268	1,351,593	656,704
State Sources	57,484,838	55,861,884	47,280,087	41,780,760	40,512,536	36,199,353	33,493,455	30,928,420	27,934,086	25,646,793
Federal Sources	8,631,667	6,060,188	4,504,773	3,255,925	338,594	3,494,233	3,642,261	3,766,543	3,768,046	3,301,169
Total Revenue	227,203,659	219,078,582	206,061,729	195,654,808	188,998,965	181,908,533	177,448,734	169,994,128	162,508,507	156,779,398
Expenditures:										
Instruction:										
Regular Instruction	37,146,396	88,170,217	80,359,607	74,198,430	74,343,790	66,453,755	62,041,442	61,155,988	56,656,766	54,732,571
Special Education Instruction	19,278,731	33,294,392	34,142,889	30,291,516	27,989,359	27,601,435	27,558,120	26,605,432	27,444,933	26,318,104
Other Special Instruction	5,747,321	3,088,189	2,207,402	2,334,780	2,347,837	2,255,080	2,228,508	2,521,611	1,936,144	1,988,245
Other Instruction	1,854,208	9,641,090	8,098,514	7,671,057	7,696,343	6,360,406	6,538,363	4,264,542	5,615,190	5,710,428
Support Services:										
Tuition	6,648,875	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	30,836,532	25,686,556	22,283,702	23,127,780	23,443,429	21,388,567	20,539,951	20,358,885	17,830,765	18,318,408
School Administrative Services	5,912,007	9,618,301	9,204,882	8,833,825	8,484,944	7,439,705	7,244,714	6,968,106	7,306,968	7,000,686
Other Administration Services	2,910,200	2,733,559	2,763,096	2,874,155	2,634,719	2,731,384	2,420,246	2,429,740	2,197,604	2,486,621
Plant Operations & Maintenance	13,194,983	17,414,803	14,677,034	15,095,317	18,039,493	16,478,657	16,272,328	16,665,237	16,007,608	14,210,136
Pupil Transportation	16,337,371	15,355,199	11,241,673	12,666,835	13,180,793	13,245,003	13,456,970	13,087,024	13,477,190	13,463,141
Other Support Services	-	3,485,089	3,885,906	2,799,793	3,664,299	3,630,295	3,440,528	2,907,905	3,127,798	3,079,272
Employee Benefits	59,209,351	-	-	-	-	-	-	-	-	-
Transfer to Charter School	19,149,591	-	-	-	-	-	-	-	-	-
Capital Outlay	3,791,374	4,603,471	6,876,304	7,364,709	15,038,020	39,484,936	24,647,177	10,879,891	2,755,435	2,213,056
Debt Service:										
Principal	7,647,081	7,677,681	7,210,486	7,082,005	6,920,341	5,915,000	6,691,529	4,085,717	4,035,028	4,074,459
Interest & Other Charges	1,555,751	2,552,360	2,733,215	3,307,696	3,505,777	3,714,251	3,844,017	4,029,647	1,421,562	1,533,564
Total Expenditures	231,219,772	223,320,907	205,684,710	197,647,898	207,289,144	216,698,474	196,923,893	175,959,725	159,812,991	155,128,691
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(4,016,113)	(4,242,325)	377,019	(1,993,090)	(18,290,179)	(34,789,941)	(19,475,159)	(5,965,597)	2,695,516	1,650,707

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources/(Uses):										
Financing Agreement Proceeds	-	-	-	-	-	-	-	-	7,535,000	-
Bond Proceeds	-	-	-	-	-	-	-	-	81,480,000	-
Refunding Bonds Issued	-	56,420,000	-	-	-	-	-	8,700,000	-	-
Payment to Refunded Bond Escrow Agent	-	(59,087,298)	-	-	-	-	-	(9,851,130)	-	-
Original Issue Premium	-	-	-	-	-	-	-	1,259,043	-	-
Transfers in	3,800,000	7,016,085	359,537	4,548,213	382,455	6,226,843	2,618,928	4,081,918	4,323,252	409,041
Transfers Out	(3,800,000)	(6,602,265)	(3,590,537)	(4,548,213)	(382,455)	(6,226,843)	(2,439,778)	(4,081,918)	(4,323,252)	(409,041)
Total Other Financing Sources/(Uses)	-	(2,253,478)	(3,231,000)	-	-	-	179,150	107,913	89,015,000	-
Net Change in Fund Balances	\$ (4,016,113)	\$ (6,495,803)	\$ (2,853,981)	\$ (1,993,090)	\$ (18,290,179)	\$ (34,789,941)	\$ (19,296,009)	\$ (5,857,684)	\$ 91,710,516	\$ 1,650,707

Debt Service as a Percentage of Noncapital Expenditures

	4.05%	4.68%	5.00%	5.46%	5.42%	5.43%	6.12%	4.92%	3.47%	3.67%
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Source: District records

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest on Investments	\$ 210,741	\$ 8,817	\$ 121,039	\$ 473,726	\$ 593,931	\$ 248,339	\$ 109,925	\$ 44,158	\$ 41,665	\$ 21,599
Miscellaneous	1,349,797	672,765	659,256	356,015	609,172	746,635	1,069,285	677,078	1,308,881	410,790
Energy Rebates & E-Rate	-	-	29,240	279,379	-	388,066	147,738	188,129	40,743	-
Tuition	157,041	196,376	-	-	-	-	-	-	-	-
Sale of Computers & Related Supplies	-	-	-	-	1,327,405	-	-	-	-	-
Annual Totals	\$ 1,717,579	\$ 877,958	\$ 809,535	\$1,109,120	\$ 2,530,508	\$ 1,383,040	\$ 1,326,948	\$ 909,365	\$ 1,391,289	\$ 432,389

Source: District records

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES (a)	NET VALUATION TAXABLE	ACTUAL (COUNTY EQUALIZED) VALUE	TOTAL DIRECT SCHOOL TAX RATE (b)
2023	\$ 83,883,300	\$ 8,860,401,500	\$ 54,549,800	\$ 1,887,900,000	\$ 1,860,367,600	\$ 901,370,000	\$ 13,648,472,200	\$ 18,304,500	\$ 13,666,776,700	\$ 13,435,779,164	1.197
2022	84,435,400	7,956,574,100	54,689,400	1,787,877,400	1,782,472,800	841,090,900	12,507,140,000	17,540,778	12,524,680,778	12,837,773,200	1.254
2021	107,001,550	7,184,524,300	50,357,400	1,970,700,000	2,998,303,600	735,160,000	13,046,046,850	-	13,046,046,850	11,286,757,591	1.392
2020	161,988,450	6,957,200,600	53,604,200	1,649,645,200	1,035,058,400	684,985,000	10,542,481,850	17,052,879	10,559,534,729	10,676,804,338	1.431
2019	165,171,550	6,768,367,300	53,392,900	1,528,973,200	1,031,841,800	634,045,000	10,181,791,750	16,530,933	10,198,322,683	10,408,318,968	1.444
2018	101,772,150	6,521,617,200	55,014,600	1,498,053,600	1,001,819,500	613,370,000	9,791,647,050	15,544,197	9,807,191,247	10,002,118,920	1.458
2017	99,770,650	6,366,488,100	54,632,100	1,502,516,000	929,682,300	542,940,000	9,496,029,150	14,934,510	9,510,963,660	9,434,853,645	1.465
2016	105,991,250	6,264,115,500	55,385,000	1,439,253,800	892,254,300	474,560,700	9,231,560,550	14,642,198	9,246,202,748	9,190,912,559	1.472
2015	114,843,950	6,108,979,900	55,939,400	1,458,437,700	876,347,100	430,110,700	9,044,658,750	13,834,966	9,058,493,716	9,086,544,843	1.455
2014	129,253,500	5,983,129,300	55,672,600	1,465,301,800	881,516,000	423,310,000	8,938,183,200	12,878,452	8,951,061,652	8,934,609,316	1.434

Source: District records Tax list summary & Municipal Tax Assessor

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**
(rate per \$100 of assessed value)

FISCAL YEAR	DIRECT RATE		OVERLAPPING RATES		TOTAL DIRECT & OVERLAPPING TAX RATE
	BASIC RATE(a)	TOTAL DIRECT SCHOOL TAX RATE	TOWNSHIP OF FRANKLIN	COUNTY OF SOMERSET	
2023	1.197	1.197	0.343	0.328	1.868
2022	1.254	1.254	0.369	0.347	1.970
2021	1.392	1.392	0.400	0.353	2.145
2020	1.431	1.431	0.416	0.350	2.197
2019	1.444	1.444	0.428	0.360	2.232
2018	1.458	1.458	0.358	0.323	2.139
2017	1.465	1.465	0.449	0.348	2.262
2016	1.472	1.472	0.460	0.349	2.281
2015	1.455	1.455	0.462	0.348	2.265
2014	1.434	1.434	0.455	0.342	2.231

Source: District Records and Municipal Tax Collector

(a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable

(b) Rates for Debt Service are based on each year's requirements

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

TAXPAYER	2023			2014		
	TAXABLE	RANK	% OF TOTAL	TAXABLE	RANK	% OF TOTAL
	ASSESSED		DISTRICT NET	ASSESSED		DISTRICT NET
VALUE	VALUE	ASSESSED	VALUE	ASSESSED	VALUE	
Bridge Pointy Somerset, LLC	\$222,000,000	1	2.48%	N/A		N/A
Somerset Logistics Center	147,000,000	2	1.64%	N/A		N/A
C1 Somerset	127,808,600	3	1.43%	N/A		N/A
Morgan Stanley Mgt.	101,060,000	4	1.13%	N/A		N/A
Azureghi Somerset LP	100,500,000	5	1.12%	N/A		N/A
Franklin Greens c/o Fieldstone Properties	97,700,000	6	1.09%	N/A		N/A
PR KC Somersetownerco, LP Prudential	78,057,500	7	0.87%	N/A		N/A
Green Hill Manor Villa, LLC	73,900,000	8	0.83%	N/A		N/A
SHI International	71,000,000	9	0.79%	N/A		N/A
Suburban Partners- Fieldstone	70,000,000	10	0.78%	N/A		N/A
Total	\$1,089,026,100		12.18%	\$ -		0.00%

Source: District ACFR & Franklin Township Municipal Tax Assessor

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY (a)		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
DISTRICT-WIDE				
2023	\$ 158,349,642	\$ 158,349,642	100.00%	-
2022	155,853,296	\$ 155,853,296	100.00%	-
2021	153,073,384	\$ 153,073,384	100.00%	-
2020	149,138,119	\$ 149,138,119	100.00%	-
2019	145,364,388	\$ 145,364,388	100.00%	-
2018	140,549,336	\$ 140,549,336	100.00%	-
2017	138,027,919	\$ 138,027,919	100.00%	-
2016	134,140,810	\$ 134,140,810	100.00%	-
2015	129,401,431	\$ 129,401,431	100.00%	-
2014	127,153,050	\$ 127,153,050	100.00%	-

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

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA (a)	PERCENTAGE OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	FINANCED PURCHASES				
2023	\$ 64,795,000	\$ 7,383,867	\$	72,178,867	1,102.15	0.99%
2022	71,485,000	8,054,578	\$	79,539,578	1,218.25	1.16%
2021	77,845,000	8,370,579		86,215,579	1,327.19	1.33%
2020	83,960,000	8,156,868		92,116,868	1,410.89	1.53%
2019	89,980,000	9,218,873		99,198,873	1,514.74	1.53%
2018	95,815,000	7,009,000		102,824,000	1,565.46	1.50%
2017	101,510,000	7,229,000		108,739,000	1,660.42	1.67%
2016	107,195,000	8,235,529		115,430,529	1,767.97	1.91%
2015	111,360,000	9,101,246		120,461,246	1,854.36	2.10%
2014	33,145,000	2,336,274		35,481,274	547.93	0.66%

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	GENERAL BONDED DEBT OUTSTANDING			PER CAPITA	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY
	GENERAL OBLIGATION BONDS	DEDUCTION	NET GENERAL BONDED DEBT OUTSTANDING		
2023	\$ 64,795,000	\$ -	\$ 64,795,000	N/A	0.47%
2022	71,485,000	-	71,485,000	1045	0.57%
2021	77,845,000	-	77,845,000	1179	0.70%
2020	83,960,000	-	83,960,000	1275	0.80%
2019	89,980,000	-	89,980,000	1368	0.88%
2018	95,815,000	203,025	95,611,975	1456	0.97%
2017	101,510,000	209,062	101,300,938	1547	1.07%
2016	107,195,000	18,276	107,176,724	1642	1.16%
2015	111,360,000	-	111,360,000	1714	1.23%
2014	33,145,000	-	33,145,000	512	0.37%

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023**

	<u>Amount Applicable to Government</u>
Overlapping Debt Apportioned to the Municipality	
Municipal Debt (1)	
Township of Franklin	\$ 61,948,295
County Debt (2)	
Somerset County	88,586,645
Other (3)	
Franklin Township Sewerage Authority	<u>20,117,167</u>
Total Overlapping Debt	170,652,107
Direct Debt- Franklin Township Public Schools (as of June 30, 2023)	<u>72,178,867</u>
Total Direct and Overlapping Debt	<u><u>\$ 242,830,974</u></u>

Source:

(1) Township's 2022 Annual Debt Statement

(2) The debt for this entity was apportioned to Township by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Somerset County

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$502,263,877	\$465,612,466	\$433,596,696	\$ 417,344,721	\$ 398,026,233	\$ 377,640,821	\$ 363,506,706	\$ 357,946,605	\$ 356,377,811	\$ 362,382,359
Total Net Debt Applicable to Limit	64,795,000	71,485,000	77,845,000	83,960,000	89,980,000	95,611,975	101,300,938	107,176,724	111,360,000	33,145,000
Legal Debt Margin	\$ 437,468,877	\$ 394,127,466	\$ 355,751,696	\$ 333,384,721	\$ 308,046,233	\$ 282,028,846	\$ 262,205,768	\$ 250,769,881	\$ 245,017,811	\$ 329,237,359
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.90%	15.35%	17.95%	20.12%	22.61%	25.32%	27.87%	29.94%	31.25%	9.15%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis
	Total
Average Equalized Valuation of Taxable Property	
2022	13,418,238,386
2021	12,942,303,482
2020	11,309,248,927
	<u>\$37,669,790,795</u>
	<u>\$12,556,596,932</u>
Debt Limit (4% of Average Equalization Value)	\$502,263,877
Total Net Debt Applicable to Limit	<u>64,795,000.00</u>
Legal Debt Margin	<u>\$437,468,877</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	70,445	3,142,410,560	44,608	N/A
2022	68,428	7,720,389,100	112,825	5.80%
2021	66,033	7,450,173,225	112,825	8.50%
2020	65,852	7,429,751,900	112,825	3.30%
2019	65,779	7,266,343,014	110,466	3.80%
2018	65,683	6,871,755,460	104,620	4.20%
2017	65,489	6,497,163,690	99,210	4.60%
2016	65,290	6,029,662,080	92,352	4.90%
2015	64,961	5,742,487,439	88,399	5.70%
2014	64,755	5,399,660,430	83,386	7.30%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Estimated based upon the municipal population and per capita personal income presented
- c Estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**FRANKLIN TOWNSHIP HIGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYERS	2023		PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT
	EMPLOYEES	RANK	

INFORMATION NOT AVAILABLE

Total	<u>N/A</u>		<u>0.00%</u>
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	2014		PERCENTAGE OF TOTAL MUNICIPAL EMPLOYMENT
	EMPLOYEES	RANK	

INFORMATION NOT AVAILABLE

Total	<u>N/A</u>		<u>0.00%</u>
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**FRANKLIN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	489	483	498	494	493	499	497	495	497	491
Special Education	336	338	301	298	296	292	286	285	281	279
Support Services:										
Student & Instruction Related Services	154	155	152	152	151	149	147	146	144	143
General Administration	6	6	6	6	6	6	6	6	6	6
School Administrative Services	45	45	47	47	47	47	47	46	46	46
Central Services	16	16	19	19	19	19	19	19	19	19
Administrative Information Technology	11	11	9	9	11	11	11	11	11	11
Plant Operations & Maintenance	141	139	147	146	146	146	146	146	146	147
Pupil Transportation	15	17	13	15	15	16	19	21	22	24
Total	1,213	1,210	1,192	1,186	1,184	1,185	1,178	1,175	1,172	1,166

Source: District Personnel Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
OPERATING STATUS
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	(a) OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	(b) TEACHING STAFF	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE)	(c) AVERAGE DAILY ATTENDANCE (ADA)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL				
2023	8,088	\$ 218,225,566	\$ 26,981	2.84%	752	9:28:1	8:01:1	11:6:1	7,123	6,614	1.67%	92.85%
2022	7,939	208,285,071	26,236	10.24%	748	10:7:1	9:4:1	12:8:1	7,006	6,540	-1.02%	93.35%
2021	7,936	188,864,705	23,798	5.53%	746	10:6:1	9:4:1	12:8:1	7,078	6,825	0.60%	96.43%
2020	7,977	179,896,488	22,552	-3.23%	734	11:0:1	9:0:1	12:0:1	7,036	6,805	0.54%	96.72%
2019	7,802	181,825,006	23,305	0.72%	789	7:4:1	10:5:1	11:4:1	6,998	6,643	-1.19%	95.13%
2018	7,243	167,584,287	23,137	11.85%	692	7:4:1	10:5:1	11:4:1	7,097	6,736	-1.43%	94.93%
2017	7,819	161,741,170	20,686	-0.37%	704	7:6:1	12:2:1	15:2:1	7,203	6,864	-0.32%	94.98%
2016	7,560	156,964,470	20,762	6.58%	665	11:4:1	9:9:1	10:6:1	7,298	6,966	-0.92%	95.05%
2015	7,782	151,600,966	19,481	7.62%	659	11:7:1	10:0:1	10:8:1	7,494	7,144	-0.23%	94.98%
2014	8,138	147,307,612	18,101	#DIV/0!	653	12:1:1	10:2:1	12:1:1	7,633	7,276	-0.89%	95.21%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDING	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCHOOLS:										
Conerly Road School										
Square Feet	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	314	310	361	384	433	343	427	409	435	448
Elizabeth Ave School										
Square Feet	58,159	58,159	58,159	58,159	58,159	58,159	58,159	58,159	48,919	48,919
Capacity (students)	513	513	513	513	513	513	513	513	513	513
Enrollment	555	548	526	494	531	544	582	617	659	653
Franklin Park School										
Square Feet	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000
Capacity (students)	773	773	773	773	773	773	773	773	773	773
Enrollment	660	647	649	670	739	781	786	842	890	940
Franklin Park Annex										
Square Feet	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above
Capacity (students)	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above
Enrollment	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above	inc above
Hillcrest School										
Square Feet	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742	52,122	52,122
Capacity (students)	488	488	488	488	488	488	488	488	488	488
Enrollment	476	467	441	418	468	411	429	422	392	422
MacAfee Road School										
Square Feet	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	414	395	383	382	418	395	396	413	429	447
Pine Grove Manor										
Square Feet	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522	51,212	51,212
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	395	394	374	372	381	345	388	385	396	414
Sampson G. Smith School										
Square Feet	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910	134,290	134,290
Capacity (students)	1051	1051	1051	1051	1051	1051	1051	1051	1051	1051
Enrollment	704	694	772	812	855	1036	1027	1031	1086	1134
Claremont Elementary										
Square Feet	123,665	123,665	123,665	123,665	123,665	-	-	-	-	-
Capacity (students)	1004	1004	1004	1004	1004	-	-	-	-	-
Enrollment	652	706	736	691	708	-	-	-	-	-
Franklin Middle School										
Square Feet	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553
Capacity (students)	1550	1550	1550	1550	1550	1550	1550	1550	1550	1550
Enrollment	731	725	794	686	819	980	1042	1093	1084	1092
Franklin High School										
Square Feet	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000
Capacity (students)	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
Enrollment	2201	2150	2122	2119	2204	2186	2116	2090	2127	2100

Number of Schools at June 30, 2023:
 Elementary= 7
 Middle School= 2
 Senior High School =1

Source: District Facilities Office

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

11-000-261-xxx

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCHOOL FACILITIES										
Franklin Twp High School	\$ 153,225	\$ 254,124	\$ 170,105	\$ 136,703	\$ 366,716	\$ 184,972	\$ 146,216	\$ 136,353	\$ 221,911	\$ 140,938
Franklin Middle School	118,196	250,752	167,848	105,450	211,493	158,936	73,032	164,207	93,287	119,165
Conerly Road School	17,202	35,333	23,651	15,347	33,249	43,974	10,527	15,955	30,656	8,348
Elizabeth Ave School	36,769	31,183	20,873	32,804	37,810	31,295	40,294	17,398	38,394	35,189
Franklin Park School	70,526	108,198	72,425	62,920	88,455	91,543	88,298	49,990	70,518	67,150
Hillcrest School	23,485	31,783	21,275	20,952	45,619	68,282	39,808	18,897	36,633	23,924
MacAfee Road School	40,253	49,969	33,448	35,912	23,168	47,370	14,700	21,035	85,723	31,004
Pine Grove Manor School	30,264	36,429	24,385	27,000	36,805	20,907	16,420	35,213	89,832	64,253
Sampson G. Smith School	65,134	74,946	50,167	58,110	95,461	106,047	98,946	44,107	97,752	136,736
Claremont Road School	29,130	61,363	41,075	25,989	14,817	-	-	-	-	-
OTHER FACILITIES										
Administration Building	72,136	51,273	34,321	64,357	11,445	56,417	12,115	42,930	107,302	19,950
Maintenance Building	22,504	23,417	15,675	20,077	52,639	60,393	3,169	-	58,019	54,843
Transportation Trailer	38	-	-	34	-	32	269	-	15,309	3,232
GRAND TOTAL	\$ 678,864	\$ 1,008,770	\$ 675,248	\$ 605,655	\$ 1,017,677	\$ 870,168	\$ 543,794	\$ 546,085	\$ 945,336	\$ 704,732

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<u>WORKERS COMPENSATION</u>		
Excess Workers' Compensation		
Self Insurance Retention		
Each Accident	\$ 1,000,000	
Each Employee for Disease	700,000	
Specific Limit Each Accident		
Policy Part One, Workers' Compensation	Statutory	
Policy Part Two, Employers Liability	1,000,000	
Specific Limit Each Employee for Disease		
Policy Part One, Workers' Compensation	Statutory	
Policy Part Two, Employers Liability	1,000,000	
<u>CYBER RISK</u>		
Total Limit of Liability		
Sublimits of Liability		
Media Content Insurance	1,000,000	\$ 25,000
Security & Privacy Liability	1,000,000	25,000
Regulatory Defense Expenses	1,000,000	25,000
Event Management Insurance	1,000,000	25,000
Cyber Extortion Insurance	1,000,000	25,000
Business Interruption	500,000	
SCHOOL COMPREHENSIVE GENERAL LIABILITY		
SBAIG Insurance		
Commercial General Liability		
Each Occurrence Limit	21,000,000	
Personal and Advertising Limit	21,000,000	
Products/Completed Operations Limit	21,000,000	
Operation Aggregate, General Aggregate Limits	21,000,000	
Fire Legal Liability - Any one fire	Included	
Medical Payments per Accident	10,000	
Medical Payments per Person		
Excluding Medpay Athletics	5,000	
Employee Benefit Program Limit & Aggregate	21,000,000	1,000
Sexual Abuse Limit	17,000,000	
School Violence Act Death or Dismemberment	250,000	25,000
Philadelphia Environmental		
Per Claim	1,000,000	10,000 or 25,000
Annual Aggregate	5,000,000	

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Franklin Township School District (the “School District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated January 31, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to

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be a material weakness, as described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and are described in the accompanying schedule of findings and questioned costs as Finding 2023-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Franklin Township School District in a separate report entitled, "Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance" dated January 31, 2024.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
January 31, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Franklin Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2023. The School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

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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 School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School 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 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School 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 School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School 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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Medford, New Jersey
January 31, 2024

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR PASS THROUGH GRANTEE PROGRAM TITLE	ASSISTANCE LISTING NUMBER	FAIN NUMBER	PASS THROUGH IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2023	UNEARNED AT JUNE 30, 2023	DUPLICATE OF SCHEDULE AT JUNE 30, 2023
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH STATE DEPARTMENT OF EDUCATION:												
Emergency Relief Fund												
Non-Cash Assistance:												
Food Distribution Program	10.555	23IND04N1099	Unavailable	\$ 472,846	7/1/22-6/30/23	\$ -	\$ 472,846	\$ (472,846)	\$ -	\$ -	\$ -	
Food Distribution Program	10.555	23IND04N1099	Unavailable	400,733	7/1/22-6/30/23	-	-	-	-	-	-	
Cash Assistance:												
COVID-19 National School Breakfast Program	10.553	23IND04N1099	100-010-3150-100	689,807	7/1/22-6/30/23	(151,697)	628,283	(689,807)	-	(61,524)	-	
COVID-19 National School Breakfast Program	10.553	23IND04N1099	100-010-3150-100	1,539,665	7/1/21-6/30/22	(131,771)	1,552,856	(1,182,579)	-	(61,254)	-	
National School Lunch Program	10.555	23IND04N1099	100-010-3160-098	1,680,969	7/1/22-6/30/23	-	1,457,606	-	-	(133,463)	-	
COVID-19 National School Lunch Program	10.555	23IND04N1099	100-010-3150-098	1,470,268	7/1/21-6/30/22	(318,116)	1,862,622	(1,680,869)	-	(133,463)	-	
COVID-19 Supply Chain Assistance	10.555	23IND04N1099	100-010-3150-098	187,131	7/1/22-6/30/23	-	187,131	-	-	-	-	
COVID-19 Supply Chain Assistance	10.555	23IND04N1099	100-010-3150-098	139,709	7/1/21-6/30/22	(138,979)	352,849	(187,131)	-	-	-	
Total Child Nutrition Cluster						(589,596)	3,445,288	(3,050,679)	-	(194,987)	-	
Total U.S. Department of Agriculture						(589,596)	3,445,288	(3,050,679)	-	(194,987)	-	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH STATE DEPARTMENT OF EDUCATION:												
Medical Assistance Program (SEM)	93.778	2305NSMAP	100-054-7540-211	423,961	7/1/22-6/30/23	-	423,961	(423,961)	-	-	-	
Medical Assistance Program (SEM)	93.778	2305NSMAP	100-054-7540-211	15,508	1/1/22-2/31/22	(63,461)	15,508	(15,508)	-	-	-	
Medical Assistance Program (SEM)	93.778	2305NSMAP	100-054-7540-211	177,446	7/1/21-6/30/22	(63,461)	502,990	(439,469)	-	-	-	
Total General Fund Assistance						(63,461)	502,990	(439,469)	-	-	-	
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH STATE DEPARTMENT OF EDUCATION:												
Emergency Relief Fund												
Title I - Part A												
Title I - Part A	84.010	S367A220029	100-034-5064-194	1,159,730	7/1/22-9/30/23	-	322,121	(684,789)	-	(362,668)	-	
Title I - Part A	84.010	S367A210029	100-034-5064-194	838,406	7/1/21-9/30/22	613	673,148	(159,895)	-	-	613	
Title I - Part A	84.010	S367A180029	100-034-5064-194	816,802	7/1/18-9/30/19	(12,119)	12,319	-	-	-	-	
Title I - Part A - Reimbursed	84.010	S367A210029	100-034-5064-194	74,739	7/1/21-9/30/22	(524,879)	1,007,988	(684,294)	-	(362,668)	613	
Title II - Part A, Improving Teacher Quality	84.367A	S367A20029	100-034-5063-290	197,091	7/1/22-9/30/23	-	54,986	(137,695)	-	(82,709)	-	
Title II - Part A, Improving Teacher Quality	84.367A	S367A210029	100-034-5063-290	178,303	7/1/21-9/30/22	(119,389)	124,828	(5,439)	-	(82,709)	-	
Total Title I - Part A						(119,389)	179,814	(181,134)	-	(82,709)	-	
Title III, Part A, English Language	84.365A	S365A20030	100-034-5064-187	173,046	7/1/22-9/30/23	-	31,115	(153,086)	-	(21,971)	-	
Title III, Part A, English Language	84.365A	S365A210030	100-034-5064-187	154,736	7/1/21-9/30/22	(45,842)	45,842	-	-	-	-	
Title III, Part A, English Language - Immigrant	84.365A	S365A210030	100-034-5064-187	30,222	7/1/21-9/30/22	(4,286)	9,288	(9,288)	-	(4,286)	-	
Title III, Part A, English Language - Immigrant	84.365A	S365A190030	100-034-5064-187	Unknown	7/1/18-6/30/19	668	-	-	-	-	668	
Total Title III, Part A						(49,566)	186,225	(162,374)	-	(26,257)	-	
Title IV	84.424A	S424A20031	100-034-5063-348	75,509	7/1/22-9/30/23	-	20,019	(48,277)	-	(25,258)	-	
Title IV	84.424A	S424A210031	100-034-5063-348	58,004	7/1/21-9/30/22	(43,286)	43,286	-	-	(25,258)	-	
Total Title IV						(43,286)	63,305	(48,277)	-	(25,258)	-	
Vocational (Perkins) Secondary	84.048A	V048A220030	100-034-5062-084	22,069	7/1/22-6/30/23	-	16,156	(18,236)	-	(2,080)	-	
Vocational (Perkins) Secondary	84.048A	V048A210030	100-034-5062-084	17,343	7/1/21-6/30/22	(6,615)	22,771	(18,236)	-	(2,080)	-	
Total Vocational (Perkins)						(6,615)	38,927	(36,472)	-	(4,160)	-	
Educational Stabilization Fund												
COVID-19 CARES - Emergency Relief Grant	84.425D	S425D20027	100-034-4120-513	763,527	5/13/20-9/30/22	(209,863)	218,571	-	-	-	9,708	
Addressing Student Learning Loss Comp	84.425D	S425D210027	100-034-4120-513	156,425	5/13/20-9/30/22	(31,620)	131,020	-	-	-	9,708	
Total COVID-19 CARES - ESSER II Fund						(241,483)	350,591	-	-	-	19,416	
COVID-19 CARES - ESSER II Fund	84.425D	S425D20027	100-034-4120-518	2,853,247	3/13/20-9/30/23	(942,739)	1,465,948	(889,472)	-	(340,302)	-	
COVID-19 CARES - ESSER II - Learning Acceleration	84.425D	S425D20027	100-034-4120-518	163,812	3/13/20-9/30/23	(10,100)	10,100	-	-	(122,655)	-	
COVID-19 CARES - ESSER II - Mental Health	84.425D	S425D20027	100-034-4120-518	45,000	3/13/20-9/30/23	(952,878)	1,416,048	(961,027)	-	(34,900)	-	
Total COVID-19 CARES - ESSER II Fund						(1,095,619)	2,892,196	(2,850,501)	-	(497,857)	-	
COVID-19 ARP ESSER III	84.425U	S425U210027	100-034-4120-523	5,896,805	3/13/20-9/30/24	(1,293,746)	89,871	(5,249,954)	-	(3,544,829)	-	
COVID-19 ARP ESSER III - Learning Acceleration	84.425U	S425U210027	100-034-4120-523	680,345	3/13/20-9/30/24	(27,091)	27,091	(179,274)	-	(179,274)	-	
COVID-19 ARP ESSER III - EB Comprehensive	84.425U	S425U210027	100-034-4120-523	46,385	3/13/20-9/30/24	(13,197)	13,197	(9,127)	-	(9,127)	-	
NTFSS Mental Health Support	84.425U	S425U210027	100-034-4120-523	88,501	3/13/20-9/30/24	(1,334,054)	130,159	(2,657,856)	-	(188,501)	-	
Total COVID-19 ARP ESSER III Fund						(1,448,088)	130,327	(7,906,212)	-	(5,000,000)	-	
Total Educational Stabilization Fund						(2,627,795)	1,898,798	(3,598,883)	-	(4,339,588)	9,708	
Special Education Cluster:												
LDE A, Part B - Basic	84.027A	H027A220100	100-034-5065-016	2,030,208	7/1/22-9/30/23	-	1,463,307	(1,831,829)	-	(384,522)	-	
LDE A, Part B - Basic	84.027A	H027A210100	100-034-5065-016	1,924,992	7/1/21-9/30/22	(449,502)	1,253,923	(804,421)	-	-	-	
LDE A, Part B - Basic	84.027A	H027A210100	100-034-5065-016	1,924,992	7/1/21-9/30/22	235	-	-	-	-	235	
LDE A, Part B - ARP	84.027X	H027X210100	100-034-5065-016	398,385	7/1/21-9/30/22	(371,882)	371,882	-	-	-	-	
LDE A, Part B - Preschool	84.173A	H173A220114	100-034-5065-020	75,724	7/1/22-9/30/23	-	11,477	(66,534)	-	(55,057)	-	
LDE A, Part B - Preschool	84.173A	H173A210114	100-034-5065-020	66,176	7/1/21-9/30/22	(60,618)	40,618	-	-	(55,057)	-	
LDE A, Part B - Preschool - ARP	84.173X	H173X210114	100-034-5065-020	33,870	7/1/21-9/30/22	(33,869)	33,869	-	-	-	-	
Total Special Education Cluster						(895,646)	3,179,076	(2,662,784)	-	(409,579)	-	225
Total U.S. Department of Education						(4,267,050)	6,535,577	(7,508,452)	-	(5,248,139)	10,989	
U.S. DEPARTMENT OF THE TREASURY PASSED THROUGH STATE DEPARTMENT OF EDUCATION:												
COVID-19 ACCESS Act	21.027	SURFDOEISES	100-034-5065-016	399,381	7/1/21-6/30/22	(203,554)	203,554	-	-	-	-	
COVID-19 ACCESS Act	21.027	SURFDOEISES	100-034-5065-016	1,113,179	7/1/22-6/30/23	-	557,142	(1,113,179)	-	(556,077)	-	
Total U.S. Department of the Treasury						(203,554)	760,696	(1,113,179)	-	(556,077)	-	
Total Special Revenue Fund						(203,554)	760,696	(1,113,179)	-	(556,077)	-	
Total Federal Financial Assistance						(4,470,604)	7,296,273	(8,618,631)	-	(5,804,176)	10,989	225
						\$ (5,123,661)	\$ 1,244,491	\$ (3,108,779)	\$ -	\$ (5,999,163)	\$ 10,989	\$ 225

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CANCELLED PRIOR YEAR RECEIVABLE	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	UNEARNED REVENUE AT JUNE 30, 2025	DUE TO GRANTOR AT JUNE 30, 2025	MEMO CUMULATIVE TOTAL		
				JUNE 30, 2022	JUNE 30, 2023									
State Department of Education:														
General Fund:														
Equalization Aid	495-034-5120-078	5,672,994	7/1/22-6/30/23	\$ -	\$ -	\$ -	\$ (5,672,994)	\$ -	\$ -	\$ -	\$ -	\$ 5,672,994		
Categorical Special Education Aid	495-034-5120-089	6,733,247	7/1/22-6/30/23	-	-	6,733,247	(6,733,247)	-	-	-	-	6,733,247		
Categorical Security Aid	495-034-5120-084	1,581,446	7/1/22-6/30/23	-	-	1,581,446	(1,581,446)	-	-	-	-	1,581,446		
Total State Aid - Public														
Transportation Aid	495-034-5120-014	1,634,154	7/1/22-6/30/23	-	-	1,634,154	(1,634,154)	-	-	-	-	1,634,154		
Nonpublic Transportation Aid	495-034-5120-014	246,910	7/1/22-6/30/23	-	-	246,910	(246,910)	-	-	-	-	246,910		
Nonpublic Transportation Aid	495-034-5120-014	211,990	7/1/21-6/30/22	(211,990)	-	-	-	(246,910)	-	-	-	-		
Extraordinary Aid	495-034-5120-044	2,018,147	7/1/22-6/30/23	-	-	2,018,147	(2,018,147)	-	-	-	-	2,018,147		
Extraordinary Aid	495-034-5120-044	2,110,654	7/1/21-6/30/22	(2,110,654)	-	-	-	-	-	-	-	-		
Maintenance of Equity	495-034-5120-023	34,240	7/1/22-6/30/23	-	-	34,240	(34,240)	-	-	-	-	34,240		
Homeless Tuition	415,842	415,842	7/1/22-6/30/23	-	-	415,842	(415,842)	-	-	-	-	415,842		
On-Behalf TPAF Social Security Reimbursement	495-034-5094-003	4,388,726	7/1/21-6/30/22	(4,388,726)	-	-	-	(2,107,780)	-	-	-	4,388,726		
On-Behalf TPAF Social Security Reimbursement	495-034-5094-003	21,481,314	7/1/22-6/30/23	(21,516)	-	21,516	-	(21,481,314)	-	-	-	21,481,314		
On-Behalf TPAF Pension Contribution	495-034-5094-002	9,668	7/1/22-6/30/23	-	-	9,668	(9,668)	-	-	-	-	9,668		
On-Behalf TPAF Non-Contributory Insurance	495-034-5094-004	5,643,089	7/1/22-6/30/23	-	-	5,643,089	(5,643,089)	-	-	-	-	5,643,089		
On-Behalf TPAF Post-Retirement Medical	495-034-5094-001													
Total General Fund														
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	7,765,640	7/1/22-6/30/23	-	-	7,765,640	-	-	-	5,899,051	-	1,866,589		
Preschool Education Aid	495-034-5120-086	6,068,634	7/1/21-6/30/22	4,899,019	-	-	(4,899,019)	-	-	-	-	4,899,019		
New Jersey Nonpublic Aid	100-034-5120-064	79,266	7/1/22-6/30/23	-	-	79,266	-	-	-	79,266	-	79,266		
Textbook Aid	100-034-5120-064	67,642	7/1/21-6/30/22	12,742	-	-	(14,011)	-	-	12,742	-	14,011		
Nursing Aid	100-034-5120-070	14,716	7/1/22-6/30/23	13,095	-	-	-	-	-	13,095	-	13,095		
Nursing Aid	100-034-5120-070	50,442	7/1/21-6/30/22	50,442	-	-	(50,442)	-	-	-	-	50,442		
Security Initiative	100-034-5120-371	255,430	7/1/22-6/30/23	-	-	255,430	-	-	-	-	-	255,430		
Security Aid	100-034-5120-509	194,950	7/1/21-6/30/22	133,206	-	-	-	-	-	133,206	-	133,206		
Non Public Auxiliary Services (Ch. 192):														
Compensatory Education	100-034-5120-067	75,805	7/1/22-6/30/23	-	-	75,805	-	-	-	-	-	75,805		
Compensatory Education	100-034-5120-067	66,468	7/1/21-6/30/22	8,241	-	-	(8,241)	-	-	-	-	8,241		
English as a Second Language	100-034-5120-067	3,654	7/1/21-6/30/22	3,654	-	-	-	(3,654)	-	-	-	3,654		
Transportation	100-034-5120-068	15,346	7/1/22-6/30/23	-	-	15,346	-	-	-	-	-	15,346		
Supplemental Services (Ch. 193):														
Supplemental Instruction	100-034-5120-066	31,718	7/1/22-6/30/23	2,869	-	-	(31,718)	-	-	-	-	31,718		
Supplemental Instruction	100-034-5120-066	31,388	7/1/21-6/30/22	2,869	-	-	(2,869)	-	-	-	-	2,869		
Examination and Classification	100-034-5120-066	49,479	7/1/22-6/30/23	1	-	-	(25,715)	-	-	23,764	-	25,715		
Examination and Classification	100-034-5120-066	36,023	7/1/21-6/30/22	1	-	-	(1)	-	-	-	-	1		
Corrective Speech	100-034-5120-066	19,530	7/1/22-6/30/23	4,032	-	-	(14,880)	-	-	4,650	-	14,880		
Corrective Speech	100-034-5120-066	28,830	7/1/21-6/30/22	4,032	-	-	(4,032)	-	-	-	-	4,032		
Subtotal														
N.J. School Development Aid:														
Emergent and Capital Maintenance Needs	unavailable	173,884	7/1/22-6/30/23	-	-	173,884	-	-	-	99	-	173,785		
Emergent and Capital Maintenance Needs	unavailable	163,706	7/1/21-6/30/22	163,706	-	-	-	(163,706)	-	-	-	163,706		
Subtotal														
Total Special Revenue Fund														
Capital Projects Fund:														
NJ Schools Development Authority	1610-055-14-1006-604	470,290	Various	-	-	194,860	-	-	-	(28,401)	-	441,689		
NJ Schools Development Authority	1610-160-14-1025-604	205,000	Various	-	-	-	-	-	-	(205,000)	-	205,000		
NJ Schools Development Authority	1610-100-14-1011-604	530,761	Various	-	-	219,694	-	-	-	(258,080)	-	271,681		
NJ Schools Development Authority	1610-015-14-1016-604	287,259	Various	-	-	-	-	-	-	(287,259)	-	287,259		
NJ Schools Development Authority	1610-030-14-1022-604	451,804	Various	-	-	-	-	-	-	(451,804)	-	451,804		
Total Capital Projects Fund														
Debt Service Fund:														
Debt Service Aid	495-034-5120-075	787,452	7/1/22-6/30/23	-	-	787,452	-	-	-	-	-	787,452		
Total Debt Service Fund														
Enterprise Fund:														
State Department of Agriculture:														
National School Lunch Program (State Share)	100-010-3350-023	67,240	7/1/22-6/30/23	-	-	61,807	-	-	-	(5,433)	-	61,807		
National School Lunch Program (State Share)	100-010-3350-023	93,216	7/1/21-6/30/22	(7,321)	-	-	(67,240)	-	-	-	-	93,216		
National School Breakfast Program (State Share)	495-010-3350-004	47,262	7/1/22-6/30/23	-	-	42,895	-	-	-	(4,367)	-	47,262		
Total Enterprise Fund														
Total State Financial Assistance														
				\$ 762,076	\$ 60,990,259	\$ 414,464	\$ (58,330,215)	\$ -	\$ (18,797)	\$ (234,811)	\$ 8,899,150	\$ 266,723	\$ 2,204,271	\$ 58,330,215

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Franklin Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

Note 3. Relationship to Basic Financial Statements

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Note 3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$45,689 for the general fund and \$(1,202,997) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District’s basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 439,469	\$ 49,851,403	\$ 50,290,872
Special Revenue Fund	8,192,198	6,845,983	15,038,181
Debt Service Fund	-	787,452	787,452
Food Service Fund	3,030,753	114,502	3,145,255
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 11,662,420</u>	<u>\$ 57,599,340</u>	<u>\$ 69,261,760</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Franklin Township School District had no loan balances outstanding at June 30, 2023.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>Education Stabilization Funds:</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>Covid-19 CRRSA ESSER II</u>
		<u>Covid-19 American Rescue Plan (ESSER III)</u>
<u>84.010</u>	<u>S367A22029</u>	<u>Title I- Part A</u>
<u>21.027</u>	<u>SLFRFDOE1SES</u>	<u>Covid-19 ACSERS Aid</u>

Dollar threshold used to determine Type A programs \$750,000

Auditee qualified as low-risk auditee? X yes no

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$935,884 _____

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____ 495-034-5120-044 _____	_____ Extraordinary Aid _____
_____ 495-034-5120-014 _____	_____ Transportation Aid _____
_____ 495-034-5123-086 _____	_____ Preschool Education Aid _____
_____ _____	_____ _____
_____ _____	_____ _____

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Finding 2023-001:

Criteria of Specific Requirement:

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

Condition:

The District did not maintain an accurate general ledger that was reconciled monthly to other subsidiary records for the current fiscal year.

Context:

The general ledger was not reconciled to other District records and as a result material audit adjustments were required.

Cause:

Lack of proper internal controls surrounding the maintenance of the District's general ledger accounting record.

Effect or Potential Effect:

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

Recommendation:

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

Management Response:

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

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Financial Statement Findings

Finding 2022-001:

Our audit of the District's general ledger and subsidiary ledgers revealed certain adjusting journal entries were required to be made to reconcile the Board records with the subsidiary records and supporting documentation.

Current Status:

See Finding 2023-001.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.