

FRANKFORD TOWNSHIP BOARD OF EDUCATION

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2024

FRANKFORD TOWNSHIP BOARD OF EDUCATION

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

***Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024***

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
FRANKFORD TOWNSHIP BOARD OF EDUCATION
BRANCHVILLE, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024***

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

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

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**FRANKFORD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

	Page
INTRODUCTORY SECTION	1
Transmittal Letter	2
Organizational Chart	N/A
Roster of Officials	6
Consultants and Advisors.....	7
FINANCIAL SECTION.....	8
REQUIRED SUPPLEMENTARY INFORMATION – PART I	13
Management’s Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS.....	20
SECTION A – DISTRICT-WIDE FINANCIAL STATEMENTS	21
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
SECTION B – FUND FINANCIAL STATEMENTS	24
GOVERNMENTAL FUNDS	25
B-1 Balance Sheet	26
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	27
B-3 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
PROPRIETARY FUNDS.....	29
B-4 Statement of Net Position	30
B-5 & B5a Statement of Revenues, Expenses, and Changes in Fund Net Position.....	31
B-6 Statement of Cash Flows	32
FIDUCIARY FUNDS	N/A
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
NOTES TO THE FINANCIAL STATEMENTS	34
REQUIRED SUPPLEMENTARY INFORMATION – PART II	79

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

FINANCIAL SECTION (CONTINUED)

SECTION C – BUDGETARY COMPARISON SCHEDULES 80

C-1	Budgetary Comparison Schedule – General Fund	81
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	Community Development Block Grant - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	86

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION..... 87

C-3	Budget-to-GAAP Reconciliation.....	88
-----	------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION – PART III 89

SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)..... 90

L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - PERS.....	91
L-2	Schedule of District Contributions - PERS.....	92
L-3	Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	93
L-4	Notes to Required Supplementary Information.....	N/A
L-5	Required Supplementary Information - Schedule of the District's Proportionate Share of Total OPEB Liability	N/A
L-6	Required Supplementary Information - Schedule of Changes in the District's Proportionate Share of the OPEB Liability.....	N/A

SCHEDULE M - SCHEDULES RELATED TO OTHER THAN PENSIONS..... 94

M-1	Schedule of Changes in the Total OPEB Liability and Related Ratios	95
-----	--	----

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III..... 96

OTHER SUPPLEMENTARY INFORMATION 99

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

FINANCIAL SECTION (CONTINUED)

SECTION D – SCHOOL BASED BUDGET SCHEDULES..... N/A

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Belended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A

SECTION E – SPECIAL REVENUE FUND 100

E-1	Combining Schedule of Revenues and Expenditures – Budgetary Basis.....	101
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A

SECTION F – CAPITAL PROJECTS FUND N/A

F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2(x)	Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Bugetary Basis	N/A

SECTION G – PROPRIETARY FUNDS 102

ENTERPRISE FUND 107

G-1	Combining Schedule Net Position	N/A
G-2	Combining Schedule of Revenues, Expensesm and Changes in Fund Net Position	N/A
G-3	Combining Schedule of Cash Flow.....	N/A

INTERNAL SERVICE FUND 107

G-4	Combining Schedule Net Position	N/A
G-5	Combining Schedule of Revenues, Expensesm and Changes in Fund Net Position	N/A
G-6	Combining Schedule of Cash Flow.....	N/A

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

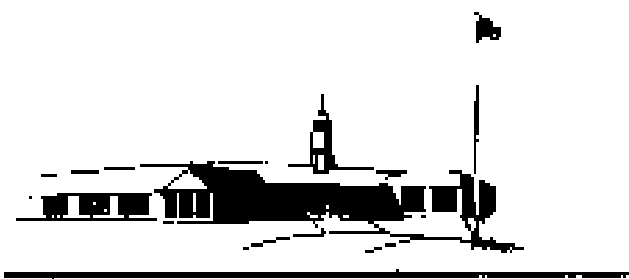
	Page
SECTION H – FIDUCIARY FUNDS.....	N/A
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activities Fund – Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund – Schedule of Receipts and Disbursements.....	N/A
SECTION I – LONG-TERM DEBT SCHEDULES.....	104
I-1 Schedule of Serial Bonds	105
I-2 Schedule of Serial Bonds of Obligations under Capital Leases.....	N/A
I-3 Schedule of Serial Bonds Service Fund Budgetary Comparison Schedule	106
STATISTICAL SECTION (UNAUDITED).....	107
INTRODUCTION TO THE STATISTICAL SECTION.....	108
FINANCIAL TRENDS	109
J-1 Net Assets/Position by Component	110
J-2 Changes in Net Assets/Position	111
J-3 Fund Balances – Governmental Funds	112
J-4 Changes in Fund Balances – Governmental Funds	113
J-5 General Fund Other Local Revenue by Source.....	114
REVENUE CAPACITY.....	115
J-6 Assessed Value and Estimated Actual Value of Taxable Property.....	116
J-7 Direct and Overlapping Property Tax Rates	117
J-8 Principal Property Taxpayers*	118
J-9 Property Tax Levies and Collections	119
DEBT CAPACITY	120
J-10 Ratios of Outstanding Debt by Type	121
J-11 Ratios of General Bonded Debt Outstanding	122
J-12 Direct and Overlapping Governmental Activities Debt.....	123
J-13 Legal Debt Margin Information	124

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
TABLE OF CONTENTS**

	Page
DEMOGRAPHIC AND ECONOMIC INFORMATION	125
J-14 Demographic and Economic Statistics	126
J-15 Principal Employers	127
OPERATING INFORMATION.....	128
J-16 Full-Time Equivalent District Employees by Function/Program	129
J-17 Operating Statistics	130
J-18 School Building Information.....	131
J-19 Schedule of Required Maintenance.....	132
J-20 Insurance Schedule.....	133
J-21 District Performance Framework, Financial Performance, Fiscal Ratios	N/A
SINGLE AUDIT SECTION	134
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed In Accordance With Government Auditing Standards.....	135
K-2 Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey Circular 15-08-OMB	137
K-3 Schedule of Expenditures of Federal Awards – Schedule A	141
K-4 Schedule of Expenditures of State Financial Assistance – Schedule B.....	142
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance .	143
K-6 Schedule of Findings and Questioned Costs.....	145
o Section I - Summary of Auditor's Results	
o Section II - Financial Statement Findings	
o Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as prepared by management.....	148

Introductory Section





Frankford Township Board of Education

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BRANCHVILLE, NJ 07826

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December 27, 2024

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

Dear Board Members:

The comprehensive annual financial report of the Frankford Township School District for the fiscal year ended June 30, 2024, is hereby submitted. This report includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The financial section also includes Management's Discussion and Analysis, which is an overview of the District's current financial status and future outlook. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the State Treasury Circular OMB 15-08. Information related to this State single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Frankford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All funds of the district are included in this report. The Frankford Township Board of Education constitutes the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels from Kindergarten through Eighth Grade. These include regular as well as special education for handicapped children. The

District completed the 2023-2024 fiscal year with an ending enrollment of 506. The following details the changes in the average daily student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2023 - 2024	506	1.20%
2022 - 2023	500	-7.58%
2021 - 2022	541	14.1%
2020 - 2021	474	-5.95%
2019 - 2020	504	0.00%
2018 - 2019	504	-2.14%
2017 - 2018	515	-2.83%
2016 - 2017	530	0.95%
2015 - 2016	525	-2.78%
2014 - 2015	540	2.35%

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

2. ECONOMIC CONDITION AND OUTLOOK:

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

Since the 2012-2013 school year, the average daily student population has fluctuated incrementally. However, over the same period, increases in tax levy have occurred as state aid has decreased significantly in conjunction with rising fixed expenses and a need for additional programs and an increased classified student population. In the past, surplus had been used to reduce the effects of fluctuating state aid. Frankford Twp. Board of Education has therefore reduced undesignated surplus to the mandated limits. Realizing that a lack of surplus availability and declining state aid has an opposite effect on the tax levy, the Board of Education and administration have worked extensively to limit the tax impact as much as possible each year.

3. MAJOR INITIATIVES:

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

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

6. CASH MANAGEMENT:

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

7. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

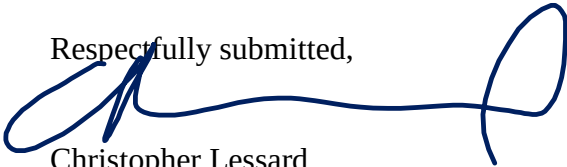
8. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Barre & Company, LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the state Treasury Circular Letter OMB 15-08. The auditor's report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGEMENTS:

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

Respectfully submitted,



Christopher Lessard
Board Secretary/Business Administrator

Frankford Township Board of Education
Branchville, New Jersey

ROSTER OF OFFICIALS
JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Expires</u>
	January
Mandy Jaust, President	2025
Leif Andersen, Vice-President	2026
Kathleen Adam	2027
Jamie Aromando	2026
Charlene Molnar	2027
Kaitlin Frato	2025
Jennifer Knaust	2025
John Tiger	2026
Jesse Vaughan	2027

Other Officials

Robert Mooney	Interim Superintendent
Christopher Lessard	School Business Administrator/Board Secretary
Ahmet Anar	Treasurer

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Barre & Company, LLC
2204 Morris Avenue
Suite 206
Union, NJ 07083

Attorney

Busch Law Group
450 Main Street
Metuchen, NJ 08840

Official Depositories

Provident Bank
P.O. Box 1001
Iselin, NJ 08830

FINANCIAL SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and post-employment benefit schedule in Exhibits L-1 through L-3, M-1, and the related notes be presented to supplement the basic financial statements and budgetary comparison information in Exhibits C-1 through C-3. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

Other Information(Continued)

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

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

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated December 27, 2024 on our consideration of the Frankford Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the school'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* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the District's internal control over financial reporting and compliance.


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 27, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

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

The discussion and analysis of Frankford Township Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- ❖ General revenues accounted for \$14,237,693 or 92% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for 1,224,323 or 9% of total revenues of \$15,462,016. The District had 15,281,219 in expenses; only \$1,224,323 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$14,237,693 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$14,256,801 in revenues and \$14,373,038 in expenditures. The General Fund's fund balance decreased \$116,237 over 2023. This decrease was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2024?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

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

most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

The District as a Whole

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

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

The District's combined Net Position were \$3,631,516 for 2024 and \$3,450,719 for 2023.

Governmental Activities

The District's total revenues were \$15,201,266 for 2024 and \$14,549,082 for 2023, this includes 390,902 for 2024 and \$397,770 for 2023 of state reimbursed TPAF social security contributions.

The total cost of all program and services were 14,834,369 for 2024 and \$12,909,183 for 2023. Instruction comprises \$5,403,675 for 2024 and \$5,452,682 for 2023 of District expenses.

Business-Type Activities

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

- ❖ Revenue exceeded expenses by \$ 12,035 for 2024 and 46,256 for 2023.
- ❖ Charges for services represent 214,174 for 2024 and \$51,689 for 2023 of revenue. This represents amounts paid by patrons for daily food.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast were 46,576 for 2024 and \$205,647 for 2023.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

Governmental Activities

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

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

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

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

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

The District's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$14,880,664 for 2024 and \$14,549,082 for 2023 and expenditures were \$15,000,457 for 2024 and \$14,611,942 for 2023. The net change in fund balance was most significant in the general fund, an decrease of \$119,793 in 2024 and an increase of \$2,548,077 in 2023.

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

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Local Sources	10,099,743	67.87%	\$ 398,511	4.11%
State Sources	4,437,682	29.82%	85,899	1.97%
Federal Sources	343,239	2.31%	(152,828)	-30.81%
Total	\$ 14,880,664	100.00%	\$ 331,582	

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

The District's Funds (Continued)

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2024, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2023	Percent of Increase/ (Decrease)
Instruction	\$ 5,385,946	35.91%	\$ (41,993)	-0.77%
Support Services	9,021,691	60.14%	225,567	2.56%
Capital Outlay	426,732	2.84%	202,740	90.51%
Principal and Interest	166,088	1.11%	2,201	1.34%
Total	<u>\$ 15,000,457</u>	<u>100.00%</u>	<u>\$ 388,515</u>	

General Fund Budgeting Highlights

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

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

Capital Assets (Net of Accumulated Depreciation) and Debt Administration

The District had \$4,743,368 for 2024 and \$4,746,056 for 2023 invested in in land, buildings, furniture and equipment, and vehicles, net of accumulated depreciation, respectively.

At June 30, 2024 and 2023, the school district had \$2,817,324 and \$3,002,760 of long-term liabilities, respectively. Of this amount \$399,910 and \$432,139 is for compensated absences, and \$915,000 and \$915,000 for serial bonds and \$1,647,414 and \$1,850,197 for net pension liability for the years ended June 30, 2024 and 2023, respectively.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2024
UNAUDITED
(CONTINUED)**

For the Future

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

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

Contacting the District's Financial Management

This financial report is designed to provide our stakeholders with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Christopher Lessard, School Business Administrator/Board Secretary at Frankford Township Board of Education, 4 Pines Road Branchville, NJ 07826 or email at lessardc@frankfordschool.org.

BASIC FINANCIAL STATEMENTS

SECTION A – DISTRICT-WIDE FINANCIAL STATEMENTS

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 844,855	\$ 218,149	\$ 1,063,004
Internal Balances	95,909	(95,909)	-
Receivables, Net	584,234	1,277	585,511
Inventories		7,940	7,940
Cash and Cash Equivalents	338,976		338,976
Capital Assets, Net			
Capital Assets, Being Depreciated	4,743,368	20,105	4,763,473
Total Assets	6,607,342	151,562	6,758,904
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	101,406		101,406
Total Deferred Outflows of Resources	101,406	-	101,406
LIABILITIES:			
Accounts Payable	28,785	8,608	37,393
Bond Interest Payable	9,094		9,094
Payable to State Government	14,002		14,002
Unearned Revenue	24,414	7,670	32,084
Long-Term Liabilities Other Than Pensions:			
Due Within One Year	145,000		145,000
Due Beyond One Year:			
Other Long-Term Liabilities	1,024,910		1,024,910
Aggregate Net Pension Liability	1,647,414		1,647,414
Total Liabilities	2,893,619	16,278	2,909,897
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	318,897		318,897
Total Deferred Outflows of Resources	318,897	-	318,897
NET POSITION (DEFICIT):			
Net Investment in Capital Assets	4,743,368		4,743,368
Restricted for:			
Capital Projects Fund	466,758		466,758
Unemployment Compensation	120,691		120,691
Debt Service Fund	2		2
Other Purposes	360,286		360,286
Student Activities	53,785		53,785
Unrestricted (Deficit)	(2,248,658)	135,284	(2,113,374)
Total Net Position (Deficit)	\$ 3,496,232	\$ 135,284	\$ 3,631,516

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes In Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	3,721,487	\$ -	\$ 227,187	\$ -	\$ (3,494,300)	\$ -	\$ (3,494,300)
Special Education	1,281,891		412,297		(869,594)		(869,594)
Other Special Education	303,876				(303,876)		(303,876)
Other Instruction	96,421				(96,421)		(96,421)
Support Services (Charter School)		77,783			-		-
Student and Instruction Related Services	1,309,912				(1,232,129)		(1,232,129)
School Administrative Services	3,151,022				(3,151,022)		(3,151,022)
General and Business Administrative Services	3,176,242				(3,176,242)		(3,176,242)
Plant Operations and Maintenance	982,493				(982,493)		(982,493)
Pupil Transportation	624,259		253,966		(370,293)		(370,293)
Interest on Long-Term Debt	30,182				(30,182)		(30,182)
Unallocated Depreciation	354,719				(354,719)		(354,719)
Total Governmental Activities	15,032,504	77,783	893,450	-	(14,061,271)	-	(14,061,271)
BUSINESS-TYPE ACTIVITIES:							
Food Program	173,207	179,305			6,098		6,098
Summer Enrichment	26,208	28,835			2,627		2,627
Preschool Program	49,300	44,950			(4,350)		(4,350)
Total Business-Type Activities	248,715	253,090	-	-	4,375		4,375
TOTAL PRIMARY GOVERNMENT	\$ 15,281,219	\$ 330,873	\$ 893,450	\$ -	\$ (14,061,271)	\$ 4,375	\$ (14,056,896)
GENERAL REVENUES:							
Property Taxes Levied For:							
General Purposes					\$ 9,761,993	\$ -	\$ 9,761,993
Debt Service					166,088		166,088
Federal and State Aid Not Restricted					4,151,603		4,151,603
Investment Earnings - Unrestricted					74,776		74,776
Miscellaneous Income					75,573	7,660	83,233
Total General Revenues					14,230,033	7,660	14,237,693
Change in Net Position					168,762	12,035	180,797
Net Position - July 1					3,327,470	123,249	3,450,719
Net Position - June 30					\$ 3,496,232	\$ 135,284	\$ 3,631,516

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

Frankford Township Board of Education
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 794,624	\$ 50,229	\$ 2	\$ 844,855
Restricted				
Capital Reserve Account	185,470			185,470
Maintenance Reserve Account	153,506			153,506
Receivables:				
Interfund Receivables	130,117	-		130,117
Receivables From Other Governments	502,092	53,848		555,940
Other Receivables	19,409	8,885		28,294
Total Current Assets	1,785,218	112,962	2	1,898,182
Total Assets	\$ 1,785,218	\$ 112,962	\$ 2	\$ 1,898,182
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Current Liabilities:				
Interfund Payables	\$ -	\$ 34,208	0	\$ 34,208
Accounts Payable	24,674	4,111		28,785
Payroll Deductions and Withholdings		-		
Unemployment Compensation Claims Payable	14,002	-		14,002
Unearned Revenue	-	24,414		24,414
Total Current Liabilities	38,676	62,733	-	101,409
Total Liabilities	38,676	62,733	-	101,409
Fund Balances:				
Restricted For:				
Excess Surplus	90,000			90,000
Excess Surplus - Designated for Subsequent Year's Expenditures	110,000			110,000
Capital Reserve Account	466,758			466,758
Maintenance Reserve	153,506			153,506
Student Activities		50,229		50,229
Unemployment	135,547			135,547
Assigned:				
Year-End Encumbrances	390,960			390,960
Committed Year End Encumbrances	6,780			6,780
Unassigned:				
General Fund	392,991			392,991
Debt Service Fund			2	2
Total Fund Balances	1,746,542	50,229	2	1,796,773
Total Liabilities and Fund Balances	\$ 1,785,218	\$ 112,962	\$ 2	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$12,663,464 and the accumulated depreciation is \$7,920,096.				4,743,368
Net pension liability of \$1,647,414, deferred inflows of resources of \$318,897 less deferred outflows of resources of \$101,406 related to pensions are not reported in the governmental funds				(1,864,905)
Some liabilities are not due and payable in the current year and therefore are not reported as a liability in the funds. Those liabilities consist of accrued interest on mortgage.				(9,094)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(1,169,910)
Net Position of Governmental Activities				\$ 3,496,232

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 9,761,993	\$ -	\$ 109,618	\$ 9,871,611
Tuition	17,408			17,408
Interest on Investments	74,776			74,776
Local Sources		13,339		13,339
Miscellaneous	44,826	77,783		122,609
Total Local Sources	9,899,003	91,122	109,618	10,099,743
Intermediate Sources				
State Sources	4,357,798	23,414	56,470	4,437,682
Federal Sources		343,239		343,239
Total Revenues	14,256,801	457,775	166,088	14,880,664
EXPENDITURES:				
Current:				
Instruction	5,194,497	191,449		5,385,946
Support Services	8,751,809	269,882		9,021,691
Capital Outlay	426,732			426,732
Principal			145,000	145,000
Interest and other Charges			21,088	21,088
Total Expenditures	14,373,038	461,331	166,088	15,000,457
NET CHANGE IN FUND BALANCES	(116,237)	(3,556)	-	(119,793)
FUND BALANCES, JULY 1	1,862,779	53,785	2	1,916,566
FUND BALANCES, JUNE 30	\$ 1,746,542	\$ 50,229	\$ 2	\$ 1,796,773

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2)	\$	(119,793)
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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, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense	\$	(399,032)
Capital Outlay		27,700
		426,732

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

145,000

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

32,229

Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.

92,720

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.

(9,094)

Change in net position of governmental activities

\$ 168,762

PROPRIETARY FUNDS

FRANKFORD TOWNSHIP BOARD OF EDUCATION

Proprietary Fund
Statement of Net Position
June 30, 2024

	Business-Type Activities Enterprise Funds		
	Food Service	Other Nonmajor Enterprise Fund	Total Enterprise Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 180,000	\$ 38,149	\$ 218,149
Receivables From Other Governments	1,277		1,277
Other Receivables			
Inventories	7,940		7,940
	<u>189,217</u>	<u>38,149</u>	<u>227,366</u>
Total Current Assets			
Noncurrent Assets:			
Machinery and Equipment	103,346		103,346
Less Accumulated Depreciation	(83,241)		(83,241)
	<u>20,105</u>	<u>-</u>	<u>20,105</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 209,322</u>	<u>\$ 38,149</u>	<u>\$ 247,471</u>
LIABILITIES:			
Current Liabilities:			
Interfund Accounts Payable	\$ 77,609	18,300	\$ 95,909
Accounts Payable	8,608		\$ 8,608
Deferred Revenue	4,021		4,021
	<u>90,238</u>	<u>18,300</u>	<u>108,538</u>
Total Current Liabilities			
DEFERRED INFLOWS OF RESOURCES:			
U.S.D.A Commodities	3,649		3,649
	<u>3,649</u>	<u>-</u>	<u>3,649</u>
Total Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows of Resources	<u>93,887</u>	<u>18,300</u>	<u>112,187</u>
NET POSITION:			
Net Investment in Capital Assets			
Unrestricted	115,435	19,849	135,284
	<u>115,435</u>	<u>19,849</u>	<u>135,284</u>
Total Net Position			
Total Liabilities and Net Position	<u>\$ 209,322</u>	<u>\$ 38,149</u>	<u>\$ 247,471</u>

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds		
	Food Service Program	Other NonMajor Funds	Total
OPERATING REVENUES:			
Charges for Services:			
Daily Sales Reimbursable Program	\$ 132,729		\$ 132,729
Daily Sales Non-reimbursable Program		73,785	73,785
Miscellaneous Revenue	7,660		7,660
Total Operating Revenues	140,389	73,785	214,174
OPERATING EXPENSES:			
Salaries		61,004	61,004
Other Purchased Services		7,083	7,083
Supplies and Materials	2,976	3,071	6,047
Depreciation Expense	2,562		2,562
Cost of Sales- Reimbursable Programs	164,427		164,427
Miscellaneous Expenses	3,242	4,350	7,592
Total Operating Expenses	173,207	75,508	248,715
OPERATING GAIN (LOSS)	(32,818)	(1,723)	(34,541)
NONOPERATING REVENUES:			
State Source:			
State Lunch Program	2,739		2,739
Federal Source:			
Federal Lunch Program	26,928		26,928
Supply Chain Assistance	16,909		16,909
Total Nonoperating Revenues	46,576	-	46,576
CHANGE IN NET POSITION	13,758	(1,723)	12,035
TOTAL NET POSITION, JULY 1	101,677	21,572	123,249
TOTAL NET POSITION, JUNE 30	\$ 115,435	19,849	\$ 135,284

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

Frankford Township Board of Education
Proprietary Funds
Statement of Cash Flows
For The Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds		
	Food Service Program	Other NonMajor Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$140,389	\$74,785	\$215,174
Cash Payments to Suppliers and Employees	(160,776)	(57,620)	(218,396)
Net Cash Used by Operating Activities	(20,387)	17,165	(3,222)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash Received from State and Federal Reimbursements	46,988		46,988
Net Cash Provided by Noncapital Financing Activities	46,988	-	46,988
Net Decrease in Cash and Cash Equivalents	26,601	17,165	43,766
Cash and Cash Equivalents, July 1	153,605	20,778	174,383
Cash and Cash Equivalents, June 30	<u>\$ 180,000</u>	<u>\$ 38,149</u>	<u>\$ 218,149</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Gain (Loss) Used for Operating Activities	\$ (32,818)	\$ (1,723)	\$ (34,541)
Depreciation	2,562		2,562
Changes in Assets and Liabilities:			
Increase in Inventory			-
Increase in Intergovernmental Accounts Receivable	908	1,000	1,908
Increase in Interfund Accounts Payable	353	17,888	18,241
Decrease in Unearned Revenue	-		-
Increase in Accounts Payable	8,608		8,608
Net Cash Used by Operating Activities	<u>\$ (20,387)</u>	<u>\$ 17,165</u>	<u>\$ (3,222)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

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

2. Reporting Entity

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Frankford Township Board of Education this includes general operations, food service, summer enrichment and student related activities of the District.

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

3. Basic Financial Statements – District-Wide Statements

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

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

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

4. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the District:

Governmental Fund Types

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

General Fund – The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund. Debt service is budgeted in the General Fund.

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

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

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

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

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

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

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

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

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

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

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

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements – Fund Financial Statements (Continued)

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

5. Measurement Focus and Basis of Accounting

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Budgets/Budgetary Control

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. The Board approved several budget transfers during 2023/2024. Also, the fiscal year the Board increased the original budget by \$1,125,236. The increase was funded by the additional appropriation of state aid, capital reserve, maintenance reserve, grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

	<u>2024</u>
Total Revenues & Expenditures (Budgetary Basis)	\$ 474,366
Adjustments:	
Less Encumbrances at June 30, 2024	(83,035)
Plus Encumbrances at June 30, 2023	<u>8,946</u>
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 400,277</u>

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

7. Encumbrances

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

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

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

8. Capital Reserve

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Reserve (Continued)

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1 (g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity for the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance at June 30, 2023	\$ 682,490
Increased by:	
Deposit Approved by Board Resolution	<u>-</u>
Decreased by:	
Withdraws Approved by Board Resolution	<u>215,732</u>
Balance at June 30, 2024	<u>\$ 466,758</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects is .

9. Maintenance Reserve

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Maintenance Reserve (Continued)

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

Balance at June 30, 2023	\$ 147,465
Increased by:	
Deposits Approved by Board Resolution	<u>6,041</u>
Decreased by:	
Withdrawals Approved by Board Resolution	<u>-</u>
Balance at June 30, 2024	<u>\$ 153,506</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$153,506. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

10. Transfers to Capital Outlay

During the 2023/2024 school year, the district transferred \$67,103 to the non-equipment capital outlay accounts. The transfer was made from other budget line items for an emergent circumstance pursuant to N.J.A.C. 6A:23A-13.3(h).

11. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$285,000. Of this amount, \$150,000 was designated and appropriated in the 2024/2023 original budget certified for taxes and the remaining amount of \$135,000 will be appropriated in the 2023/2024 original budget certified for taxes.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

2. Short-term Interfund Receivables/Payables

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

3. Inventories

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources(Continued)

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

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

6. Compensated Absences

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

7. Long-Term Obligations

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Obligations (Continued)

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

8. Fund Equity

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

9. Prepaid Expenses

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The District had no prepaid expenses for the fiscal year ended June 30, 2024.

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

10. Unearned Revenue

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

11. Use of Estimates

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Net Position/Fund Balance

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

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

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

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

13. Fund Balance Reserves

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

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

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

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Reserves (Continued)

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

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

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

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

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

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

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance Reserves (Continued)

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

14. Fund Balance Policies

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. Impact of Recently Issued Accounting Principles

During fiscal years 2024 through 2024, the District has adopted the following GASB statements.

The District has adopted the following as of June 30, 2024

GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA), is effective with the fiscal year ending June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

As of June 30, 2023, the entity's SBITAs were all 12 months or less and so the entity was exempt from reporting under this pronouncement.

A. Impact of Recently Issued Accounting Principles

- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

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

14. PENSIONS

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2: DETAILED DISCLOSURE REGARDING ASSETS AND REVENUES

A. Deposits and Investments

Deposits

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

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

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

	General Fund	Special Revenue	Proprietary Fund	Total
Operating Account	\$ 1,133,600	\$ 50,229	\$ 218,149	\$ 1,401,978

The District had no investments at June 30, 2024.

The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$1,401,978 and the bank balance was \$1,458,107. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

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

As of June 30, 2024, none of the cash and cash equivalents for Frankford Township Board of Education were exposed to custodial credit risk.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

A. Deposits and Investments (Continued)

Deposits (Continued)

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

Investments

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Investments (Continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any investments at June 30, 2024.

Interest Rate Risk: The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District did not have any investments at June 30, 2024.

Concentration of Credit Risk: The District places no limit on the amount they may invest in any one issuer. The District did not have any investments at June 30, 2024.

Receivables

Receivables at June 30, 2024, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. Accounts receivable as of the fiscal year end of the District's individual major and fiduciary funds, in the aggregate, are as follows:

	Governmental Funds			Proprietary Fund		
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Total Business Type Activities	Total
State Awards	\$ 502,092	\$ 459	\$ 502,551	\$ 146	\$ 146	\$ 502,697
Federal Awards	-	53,389	53,389	1,131	1,131	54,520
Other	19,409	8,885	28,294	-	-	28,294
Gross Receivables	521,501	62,733	584,234	1,277	1,277	585,511
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	\$ 521,501	\$ 62,733	\$ 584,234	\$ 1,277	\$ 1,277	\$ 585,511

A. Interfund Receivables and Payables

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

The following interfund balances remained on the fund financial statements at June 30, 2024:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 130,117	\$ -
Special Revenue Fund		34,208
Proprietary Fund		95,909
Total	\$ 130,117	\$ 130,117

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Receivables (continued)

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

B. Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land and Land Improvements	\$ 243,393	\$ -	\$ -	\$ 243,393
Total Capital Assets Not Being Depreciated	<u>243,393</u>	<u>-</u>	<u>-</u>	<u>243,393</u>
<i>Capital Assets Being Depreciated:</i>				
Leasehold Improvements	\$ 791,545	\$ -	\$ -	\$ 791,545
Building and Building Improvements	\$ 9,739,063	\$ 394,020	\$ 42,908	\$ 10,090,175
Machinery and Equipment	<u>1,595,350</u>	<u>32,712</u>	<u>89,711</u>	<u>1,538,351</u>
Total Capital Assets Being Depreciated	<u>12,125,958</u>	<u>426,732</u>	<u>132,619</u>	<u>12,420,071</u>
Less Accumulated Depreciation For:				
Leasehold Improvements	482,958	25,677	659	507,976
Building and Building Improvements	5,673,262	329,042	11,861	5,990,443
Machinery and Equipment	<u>1,467,075</u>	<u>44,313</u>	<u>89,711</u>	<u>1,421,677</u>
Total Accumulated Depreciation	<u>7,623,295</u>	<u>399,032</u>	<u>102,231</u>	<u>7,920,096</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>4,502,663</u>	<u>27,700</u>	<u>30,388</u>	<u>4,499,975</u>
Government Activity Capital Assets, Net	<u>\$ 4,746,056</u>	<u>\$ 27,700</u>	<u>\$ 30,388</u>	<u>\$ 4,743,368</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 103,346	\$ -	\$ -	\$ 103,346
Less Accumulated Depreciation	<u>(80,679)</u>	<u>(2,562)</u>	<u>-</u>	<u>(83,241)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 22,667</u>	<u>\$ (2,562)</u>	<u>\$ -</u>	<u>\$ 20,105</u>

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

Depreciation expense was charged to functions as follows:

Instructional	\$ 17,729
Student and Instruction Related Services	2,000
Plant Operations and Maintenance	15,013
School Administration	9,571
Unallocated	<u>354,719</u>
Total	<u>\$ 425,616</u>

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratios of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2024 in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment amounts certified for payments due not be included in their unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to 137,740 for fiscal year 2024.

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

At June 30, 2024, the District reported a liability of \$ 1,647,414 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023 measurement date, the District's proportion was 0.0113737299%, which was an decrease of - 0.00088623% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$ 154,604 . At June 30, 2024, the District reported deferred outflows of resources and deferred inflows related to pensions from the following sources.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 3,619	\$ 99,840
Difference Between Expected and Actual Experience	7,587	6,734
Changes in Proportion	57,196	212,323.00
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	15,751	-
	<u>\$ 84,153</u>	<u>\$ 318,897</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2015 amounts, respectively

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

Fiscal Year Ending June 30,	Total
2023	\$ (256,443.71)
2024	(143,137)
2025	200,024
2026	(35,796)
2027	609
	<u>\$ (234,744)</u>

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2023.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is like that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (CONTINUED)

Long Term Expected Rate of Return Continued)

inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2023			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 2,162,663	\$ 1,661,303	\$ 1,234,579

Measurement Date June 30, 2022			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 2,397,091	\$ 1,865,866	\$ 1,413,772

Pension Plan Fiduciary Net Position

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

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Benefit Provided

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

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

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2023 measurement date.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Allocation Methodology (Continued)

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

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023 measurement date, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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

This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal years ended 2024, the State of New Jersey contributed \$ 246,760 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$ 1,940,932 .

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

As June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$ 23,772,448 . The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Special Funding Situation (continued)

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, District's proportion was 0.0465828%, which was a increase of 0.0002880%-from its proportion measured as of June 30, 2022.

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	<u>23,772,448</u>
Total	<u>\$ 23,772,448</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$ 1,937,555 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,278,925,078	\$ 14,657,999,241
Difference Between Expected and Actual Experience	658,340,412	83,374,071
Changes in Proportion and differences between employer contributions and proportionate share of contributions	88,832,162	88,832,161
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>476,283,186</u>	<u>-</u>
	<u>\$ 2,502,380,838</u>	<u>\$ 14,830,205,473</u>

The \$ 5,004,259,312 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Special Funding Situation (continued)

The \$ 19,682,774,794 reported as a deferred inflow of resources resulting from the difference between projected and actual.

Fiscal Year Ending June 30,	Total
2023	\$ (3,918,676,894)
2024	(3,446,016,070)
2025	(1,604,289,401)
2026	(1,742,641,843)
2027	(1,672,806,952)
Thereafter	56,606,524
	<u>(12,327,824,636)</u>

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
	2.75 - 4.25%
	based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Actuarial Assumptions (continued)

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2023.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expecting inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2023 is summarized in the following table:

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

Long Term Expected Rate of Return (Continued)

Discount Rate

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

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

The following presents the net pension liability of the State as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2023				
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	
Charter School's proportionate share of the Net Pension Liability	\$ 28,074,486	\$ 23,808,453	\$ 20,215,439	

Measurement Date June 30, 2022				
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	
Charter School's proportionate share of the Net Pension Liability	\$ 28,050,923	\$ 23,923,595	\$ 20,446,839	

Pension Plan Fiduciary Net Position – TPAF

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3: PENSION PLANS (CONTINUED)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

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

NOTE 4: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (Continued)

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

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

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

Employees covered by benefit terms:

At the OPEB Plan's measurement date June 30, 2023, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted for the following members:

Active plan member							217,212
Inactive plan members or beneficiaries currently receiving benefits							152,383
Inactive plan members entitled to but not yet receiving benefit payments							-
Total							369,595

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases				
Through 2026		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		based on service	based on service	based on service
		years	years	years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2023. 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-2023. 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-2023.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Discount rate

The discount rate for the June 30, 2023 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the District for the fiscal year ended June 20, 2024.

				Total OPEB Liability
Balance at June 30, 2023				\$ 29,592,173
Service cost				943,225
Interest on Total OPEB Liability				1,033,893
Effect on Changes of Benefit Terms				-
Difference between expected and actual experience				(1,492,720)
Effect of Changes of Assumptions				59,170
Effect of Changes of Proportion				-
Contributions - Employee				26,495
Gross Benefits Paid by the State				(805,936)
	Net Changes			(235,873)
Balance at June 30, 2024				\$ 29,356,300

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

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

	Measurement Date Ended June 30, 2023		
	At 1% Decrease (2.65%)	At current discount rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability	\$ 34,415,222	\$ 29,356,300	\$ 25,294,573

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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

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

	Measurement Date Ended June 30, 2023			
	At 1%			At 1%
	decrease		Trend Rate	Increase
Total OPEB Liability	\$ 24,370,255		\$ 29,356,300	\$ 35,880,553

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

For the fiscal year ended June 30, 2024 the District recognized OPEB revenue and expense of \$ 320,602 in the District-Wide financial statements for the State's proportionate share of the OPEB Plan's OPEB expenses, associated with the District. This expense and revenue was based on the OPEB Plan's June 30, 2023 measurement date.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At the measurement date of June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 4,283,168	\$ (7,732,157)
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 4,174,503	(8,101,289)
Sub Total	8,457,671	(15,833,446)
Contributions Made in Fiscal Year 2024 after June 30, 2023 Measurement Date	N/A	N/A
Total	8,457,671	(15,833,446)

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

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

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

Fiscal Year Ending June 30	
2024	\$ (1,463,970)
2025	\$ (1,463,970)
2026	\$ (1,272,397)
2027	\$ (750,157)
2028	\$ (153,548)
Total Thereafter	\$ (2,271,733)
	\$ (7,375,775)

NOTE 5: TAX ABATEMENT

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

For Frankford Township Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6: MERGER OF NON-OPERATING SCHOOL DISTRICT

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

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

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

NOTE 7: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,019,630 , \$390,902 , \$549,669 , and \$862 , respectively.

NOTE 8: CONTINGENCIES

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9: CONCENTRATIONS

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

NOTE 10: DETAILED DISCLOSURE REGARDING FUND EQUITY

RESTRICTED

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

General Fund:	
Excess Surplus	90,000
Excess Surplus - Designated for Subsequent Year's Expenditures	110,000
Capital Reserve Account	466,758
Maintenance Reserve	153,506
Unemployment	135,547
Special Revenue:	
Student Activities	50,229

ASSIGNED

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

General Fund

Year-End Encumbrances	390,960
Committed Year End Encumbrances	6,780

UNASSIGNED

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

General Fund

General Fund	392,991
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**FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11: SUBSEQUENT EVENTS

Subsequent events were evaluated through December 27, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

FRANKFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1
Sheet 1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,761,993	\$ -	\$ 9,761,993	\$ 9,761,993	\$ -
Tuition - Other LEA's	17,408		17,408	17,408	-
Earnings on Investments	31,000		31,000	74,776	43,776
Unrestricted Miscellaneous Revenues				44,826	44,826
Total Local Sources	9,810,401	-	9,810,401	9,899,003	88,602
State Sources:					
Transportation Aid	253,966		253,966	253,966	-
Special Education Categorical Aid	412,297		412,297	412,297	-
Extraordinary Aid				227,187	227,187
Equalization Aid	50,736		50,736	50,736	-
Security Aid	48,682		48,682	48,682	-
Adjustment Aid	135,670		135,670	135,670	-
Other Unrestricted State Aid				5,915	5,915
Other State Revenue	315,080		315,080	249,480	(65,600)
On-Behalf TPAF Pension Aid				2,019,630	2,019,630
Reimbursed TPAF Social Security Aid				390,902	390,902
On-Behalf TPAF Post-Retirement Medical Aid				549,669	549,669
On-Behalf TPAF Long-Term Disability Insurance Aid				906	906
Total State Sources	1,216,431	-	1,216,431	4,345,040	3,128,609
TOTAL REVENUES	11,038,988	-	11,038,988	14,244,043	3,205,055
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs:					
Kindergarten	273,621	4,390	278,011	263,059	14,952
Grades 1-5	1,683,838	81,237	1,765,075	1,765,074	1
Grades 6-8	1,330,706	(50,584)	1,280,122	1,280,121	1
Total Salaries of Teachers	3,288,165	35,043	3,323,208	3,308,254	14,954
Total Regular Programs - Instruction	3,288,165	35,043	3,323,208	3,308,254	14,954
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000	(449)	2,551	2,551	-
Purchased Prof/Ed Services	1,500	914	2,414	2,414	-
Total Regular Programs - Home Instruction	4,500	465	4,965	4,965	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instructions	39,198	1,084	40,282	40,282	-
Other Purchased Services	52,160	472	52,632	52,630	2
General Supplies	104,581	49,080	153,661	91,535	62,126
Textbooks	10,000	15,615	25,615	14,643	10,972
Total Regular Programs - Undistributed Instruction	205,939	66,251	272,190	199,090	73,100
Total Regular Programs	3,498,604	101,759	3,600,363	3,512,309	88,054
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	77,864	947	78,811	78,810	1
Other Salaries for Instruction	99,081	(29,053)	70,028	70,028	-
General Supplies	415	740	1,155	1,154	1
Total Multiple Disabilities	177,360	(27,366)	149,994	149,992	2
Resource Room/Resouce Center:					
Salaries of Teachers	648,605	26,076	674,681	674,681	-
Other Salaries for Instruction	228,641	85,582	314,223	314,223	-
General Supplies	4,320	1,420	5,740	5,524	216
Total Resource Room/Resouce Center	881,566	113,078	994,644	994,428	216

FRANKFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1
Sheet 2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 71,419	\$ (2,460)	\$ 68,959	\$ 68,959	\$ -
Other Salaries for Instruction	82,801	(14,656)	68,145	68,145	-
General Supplies	690	(310)	380	367	13
Total Preschool Disabilities - Part-Time	154,910	(17,426)	137,484	137,471	13
Basic Skills/Remedial:					
Salaries of Teachers	271,342	31,397	302,739	302,738	1
General Supplies	2,335	(1,196)	1,139	1,138	1
Total Basic Skills/Remedial	273,677	30,201	303,878	303,876	2
Total Special Education	1,487,513	98,487	1,586,000	1,585,767	233
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	35,458	6,190	41,648	41,648	-
Purchased Services	2,250	(2,250)	-	-	-
Supplies and Materials	1,900	(383)	1,517	1,517	-
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	39,608	3,557	43,165	43,165	-
School-Sponsored Athletics:					
Salaries	26,329	(6,681)	19,648	19,648	-
Purchased Services	6,740	(1,746)	4,994	4,750	244
Supplies and Materials	700	(700)	-	-	-
Total School-Sponsored Athletics	33,769	(9,127)	24,642	24,398	244
Summer School - Instruction:					
Salaries	31,102	(4,526)	26,576	26,574	2
Purchased Services	2,925	(641)	2,284	2,284	-
Total Summer School - Instruction	34,027	(5,167)	28,860	28,858	2
Total Other Instructional Programs	107,404	(10,737)	96,667	96,421	246
Total Instruction	5,093,521	189,509	5,283,030	5,194,497	88,533
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special Education	83,000		83,000	83,000	-
Districts and Regional Day School Within the State	37,100	7,186	44,286	44,286	-
Total Instruction	120,100	7,186	127,286	127,286	-
Health Services:					
Salaries	1,415	75,390	76,805	76,805	-
Purchased Prof/Tech Services	111,000	(95,717)	15,283	12,724	2,559
Supplies and Materials	7,500		7,500	4,996	2,504
Other Objects	100		100		100
Total Health Services	120,015	(20,327)	99,688	94,525	5,163

FRANKFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1
Sheet 3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Other Support Services Students - OT, PT, and Related Services:					
Salaries	\$ 210,008	\$ (12,204)	\$ 197,804	\$ 197,804	\$ -
Purchased Prof/Ed Services	31,586		31,586	2,985	28,601
Supplies and Materials	945		945	466	479
Total Other Support Services Students - OT, PT, and Related Services	242,539	(12,204)	230,335	201,255	29,080
Other Support Services Students - Extraordinary Services:					
Salaries	5,467		5,467	5,466	1
Purchased Prof/Ed Services	63,190	(3,460)	59,730	59,730	-
Total Other Support Services Students - Extraordinary Services	68,657	(3,460)	65,197	65,196	1
Other Support Services Students - Regular Services (Guidance):					
Salaries of Other Professional Staff	196,178	15	196,193	196,178	15
Supplies and Materials	530		530	496	34
Total Other Support Services Students - Regular Services (Guidance)	196,708	15	196,723	196,674	49
Other Support Services Students - Special Services (Child Study Teams):					
Salaries of Other Professional Staff	300,774	3,782	304,556	304,556	-
Supplies and Materials	3,970	285	4,255	4,255	-
Other Objects	3,499		3,499	3,499	-
Total Other Support Services Students - Special Services (Child Study Teams)	308,243	4,067	312,310	312,310	-
Improvement of Instruction Services:					
Salaries of Other Professional Staff	118,669		118,669	111,110	7,559
Other Purchased Services	400	400	800	221	579
Other Objects	1,100	(400)	700	89	611
Total Improvement of Instruction Services	120,169	-	120,169	111,420	8,749
Educational Media/Library:					
Supplies and Materials	11,568	(3,221)	8,347	7,923	424
Total Educational Media/Library	11,568	(3,221)	8,347	7,923	424
Instructional Staff Training Services:					
Other Purchased Services	4,099		4,099	2,147	1,952
Total Instructional Staff Training Services	4,099	-	4,099	2,147	1,952
Support Services General Administration:					
Salaries	223,139	(22,766)	200,373	173,775	26,598
Legal Fees	10,000	2,000	12,000	11,408	592
Audit Fees	24,000	35,465	59,465	25,345	34,120
Other Purchased Professional Fees	1,850	12,198	14,048	14,048	-
Purchased Technical Services	625	60	685	683	2
Communications/Telephone	14,300	(2,909)	11,391	10,705	686
BOE Other Purchased Services	2,450		2,450	652	1,798
Other Purchased Services	2,800		2,800	2,665	135
General Supplies	3,000	89	3,089	2,769	320
Miscellaneous Expenditures	9,600		9,600	9,126	474
Total Support Services General Administration	291,764	24,137	315,901	251,176	64,725
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	164,149	7,235	171,384	171,383	1
Salaries of Secretarial and Clerical Assistants	103,973	(1,614)	102,359	102,358	1
Other Purchased Services	2,550	(1,403)	1,147	1,147	-
Supplies and Materials	4,500	(1,046)	3,454	2,393	1,061
Other Objects	1,100	(122)	978	978	-
Total Support Services School Administration	276,272	3,050	279,322	278,259	1,063

FRANKFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1
Sheet 4

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Central Services:					
Salaries	\$ 223,183	\$ 572	\$ 223,755	\$ 223,755	\$ -
Purchased Professional Services	12,700	482	13,182	13,182	-
Purchased Technical Services	4,450	(248)	4,202	4,201	1
Supplies and Materials	13,405	(251)	13,154	13,153	1
Miscellaneous Expenditures	2,000	(150)	1,850	1,850	-
Total Central Services	255,738	405	256,143	256,141	2
Administrative Information Technology Services:					
Salaries	88,073		88,073	88,073	-
Other Purchased Services	1,138	234	1,372	1,371	1
Total Administrative Information Technology Services	89,211	234	89,445	89,444	1
Required Maintenance for School Facilities:					
Salaries	84,636		84,636	84,636	-
Cleaning, Repair and Maintenance Services	6,500	46,083	52,583	43,490	9,093
General Supplies	9,000	19,763	28,763	28,763	-
Total Required Maintenance for School Facilities	100,136	65,846	165,982	156,889	9,093
Custodial Services:					
Salaries	334,501	18,156	352,657	344,643	8,014
Cleaning, Repair and Maintenance Services	96,760	(23,756)	73,004	66,660	6,344
Other Purchased Property Services	72,776		72,776	50,196	22,580
Insurance	182,998	10,622	193,620	193,620	-
Miscellaneous Purchased Services	1,250		1,250	396	854
General Supplies	41,700	31,580	73,280	32,938	40,342
Energy (Natural Gas)	170,000	(43,000)	127,000	119,309	7,691
Other Objects	1,800	1,029	2,829	2,829	-
Total Custodial Services	901,785	(5,369)	896,416	810,591	85,825
Security:					
Salaries	46,298		46,298	46,134	164
Miscellaneous Purchased Services	200		200	56	144
General Supplies	500		500	390	110
Total Security	46,998	-	46,998	46,580	418
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	113,244	(17,417)	95,827	95,825	2
Salaries for Pupil Transportation (Other Than B/T Home & School)	5,700	(1,513)	4,187	4,187	-
Management Fees - ESC Transportation Program	5,300	2,580	7,880	7,880	-
Cleaning, Repair and Maintenance Services	25,000	6,545	31,545	30,503	1,042
Contracted Services - Aid In Lieu of Payment for Non-public School Students	18,400	(925)	17,475	17,475	-
Contracted Services - Transportation (B/T Home & School) - Vendors	399,326	(4,549)	394,777	394,777	-
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	5,500	(5,425)	75	75	-
Contracted Services (B/T Home & School) - Joint Agreements	18,308	369	18,677	18,677	-
Contracted Services (Special Ed Students) - Vendors	21,860	14,069	35,929	35,929	-
Miscellaneous Purchased Services - Transportation	5,161	(200)	4,961	4,961	-
General Supplies	16,500	(3,208)	13,292	13,292	-
Other Objects (Transportation Supplies)	1,000	(322)	678	678	-
Total Student Transportation Services	635,299	(9,996)	625,303	624,259	1,044
Unallocated Employee Benefits:					
Social Security Contribution	156,600		156,600	155,456	1,144
Other Retirement Contributions - PERS/DCRP	185,605	(18,021)	167,584	167,583	1
Workmen's Compensation	131,655	(6,679)	124,976	124,976	-
Health Benefits	1,577,159	11,481	1,588,640	1,558,211	30,429
Tuition Reimbursement	41,000	(3,938)	37,062	33,027	4,035
Other Employee Benefits	25,850	3,287	29,137	28,536	601
Total Unallocated Employee Benefits	2,117,869	(13,870)	2,103,999	2,067,789	36,210
Contributions:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,019,630	(2,019,630)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				390,902	(390,902)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				549,669	(549,669)
On-Behalf TPAF Long-Term Disability Insurance Contributions (Non-Budgeted)				906	(906)
Total Contributions	-	-	-	2,961,107	(2,961,107)
Total Undistributed Expenditures	5,907,170	36,493	5,943,663	8,660,971	(2,717,308)
Total Expenditures - Current Expense	11,000,691	226,002	11,226,693	13,855,468	(2,628,775)

FRANKFORD TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

C-1
Sheet 5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Undistributed Expenditures:					
Instruction	32,712		32,712	102,433	(69,721)
Total Undistributed Expenditures	32,712	-	32,712	102,433	(69,721)
Facilities Acquisition and Construction Services:					
Construction Services	821,500		821,500	324,049	497,451
Other Objects	250		250	250	-
Total Facilities Acquisition and Construction Services	821,750	-	821,750	324,299	497,451
Total Capital Outlay	854,462	-	854,462	426,732	427,730
Charter Schools:					
Transfer of Funds to Charter Schools	47,574	50,402	97,976	90,838	(7,138)
Total Transfer of Funds to Charter Schools	47,574	50,402	97,976	90,838	(7,138)
Total Expenditures - General Fund	11,902,727	276,404	12,179,131	14,373,038	(2,208,183)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(863,739)	(276,404)	(1,140,143)	(128,995)	996,872
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(863,739)	(276,404)	(1,140,143)	(128,995)	996,872
FUND BALANCES, JULY 1	1,827,177	-	1,827,177	1,965,648	138,471
FUND BALANCES, JUNE 30	<u>\$ 963,438</u>	<u>\$ (276,404)</u>	<u>\$ 687,034</u>	<u>\$ 1,836,653</u>	<u>\$ 1,135,343</u>
(Continued from Prior Page)					
RECAPITULATION:					
Restricted For:					
Committed - Year-End Encumbrances				\$ 6,780	
Excess Surplus				90,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				110,000	
Capital Reserve Account				466,758	
Maintenance				153,506	
Unemployment Compensation				135,547	
Assigned Fund Balance:					
Year-End Encumbrances				390,960	
Unassigned Fund Balance				<u>483,102</u>	
				1,836,653	
Reconciliation to Governmental Funds Statement (GAAP):					
Less: State Aid Payment Not Recognized on GAAP Basis				<u>(90,111)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,746,542</u>	

* Include interest earnings on the unemployment compensation bank account
** Represents Unemployment Fund Net Position as of June 30, 2020

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	404,629	\$ -	\$ 404,629	344,933	\$ (59,696)
State Sources	105,274		105,274	104,755	(519)
Local Sources	26,836		26,836	91,122	64,286
Total Revenues	536,739	-	536,739	540,810	4,071
EXPENDITURES:					
Instruction:					
Salaries of Teachers	90,165		90,165	59,976	30,189
Other Purchased Services	61,493		61,493	61,493	-
General Supplies	84,490		84,490	70,648	13,842
Textbooks	1,026		1,026	1,026	-
Total Instruction	237,174	-	237,174	193,143	44,031
Support Services:					
Salaries of Supervisors of Instruction	42,643		42,643	29,753	12,890
Personal Services - Employee Benefits	10,340		10,340	6,860	3,480
Purchased Prof/Ed Services	91,946		91,946	91,946	-
Other Purchased Professional Services	44,759		44,759	44,452	307
Supplies and Materials	39,877		39,877	26,873	13,004
Miscellaneous Expenditures			-	81,339	(81,339)
Total Support Services	229,565	-	229,565	281,223	(51,658)
Capital Outlay:					
Non-Instructional Equipment	70,000		70,000	70,000	-
Total Capital Outlay	70,000	-	70,000	70,000	-
Total Expenditures	536,739	-	536,739	544,366	(7,627)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ (3,556)	\$ 3,556

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FRANKFORD TOWNSHIP BOARD OF EDUCATION
 Budgetary Comparison Schedule
 Budget-To-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 14,244,043	[C-2] 540,810
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		(83,035)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	102,869	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(90,111)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ <u>14,256,801</u>	[B-2] \$ <u>457,775</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 14,373,038	[C-2] 544,366
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		(83,035)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>14,373,038</u>	[B-2] \$ <u>461,331</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Fiscal Year Ending June 30									
Charter School's proportion of the net pension liability	0.01245000%	0.01305000%	0.01343000%	0.01313000%	0.01323000%	0.013170000%	0.01231000%	0.01176143%	0.01225996%	0.01137373%
Charter School's proportionate share of the net pension liability	\$ 2,332,252	\$ 2,930,795	\$ 3,978,908	\$ 3,978,908	\$ 2,605,619	\$ 2,372,491	\$ 2,007,570	\$ 1,393,318	\$ 1,850,197	\$ 1,647,414
Charter School's covered employees payroll	\$ 892,515	\$ 918,471	\$ 977,591	\$ 922,575	\$ 945,432	\$ 911,218	\$ 887,750	\$ 912,004	\$ 866,793	\$ 827,574
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	261%	319%	407%	431%	276%	260%	226%	153%	213%	199%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	40.14%	40.14%	53.59%	56.57%	58.32%	51.52%	62.91%	53.31%

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

	Fiscal Year Ending June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 102,692	\$ 112,246	\$ 119,350	\$ 121,700	\$ 131,631	\$ 128,077	\$ 134,674	\$ 137,740	\$ 154,604	\$ 152,013
Contributions in relation to the contractually required contribution	(102,692)	(112,246)	(119,350)	(121,700)	(131,631)	(128,077)	(134,674)	(137,740)	(154,604)	(152,013)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 892,515	\$ 918,471	\$ 977,591	\$ 922,575	\$ 945,432	\$ 911,218	\$ 887,750	\$ 912,004	\$ 866,793	\$ 827,574
Contributions as a percentage of covered employee payroll	11.51%	12.22%	12.21%	13.19%	13.92%	14.06%	15.17%	15.10%	17.84%	18.37%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable of the Charter School	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.00000000%	0.04832442%	0.00748244%	0.04658280%
State's proportionate share of the net pension liability attributable to the Charter School	\$ 29,418,262	\$ 32,262,628	\$ 39,262,628	\$ 35,587,194	\$ 31,922,926	\$ 29,703,402	\$ 31,612,381	\$ 23,232,055	\$ 23,885,554	\$ 23,772,448
Charter School's covered employees payroll	\$ 5,096,953	\$ 5,240,681	\$ 5,075,721	\$ 5,137,801	\$ 5,168,223	\$ 5,101,315	\$ 5,195,009	\$ 5,788,679	\$ 5,273,304	\$ 5,303,348
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	577.17%	615.62%	773.54%	692.65%	617.68%	582.27%	608.51%	401.34%	452.95%	448.25%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.48%	26.95%	24.60%	51.52%	35.52%	53.08%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate remained unchanged at 7.00% as of June 30, 2022 and as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

FRANKFORD TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2024

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

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

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2024

Revenues:	Title I	REAP Grant	Title II Part A	ARP ESSER III	ARP ESSER Summer Learn & Enrichment	ARP ESSER Accelerated Learning	I.D.E.A. Pre School	IDEA Part B	High Impact Tutoring	School Security Grant	Climate Awareness Grant	SDA Emerg. Needs & Cap Maintenance	Local Grants	Student Activity / Athletics Fund	Total
Federal Sources	\$ 29,337	40,582	\$12,146	\$ 50,305	4,894	8,705	\$ 7,461	\$ 156,164	\$ 33,645	\$ 459	\$ 376	\$ -	\$ -	\$ -	\$ 343,239
State Sources												22,579	13,339	77,783	23,414
Local Sources															91,122
Total Revenues	\$ 29,337	\$ 40,582	\$12,146	\$ 50,305	\$ 4,894	\$ 8,705	\$ 7,461	\$ 156,164	\$ 33,645	\$ 459	\$ 376	\$ 22,579	\$ 13,339	\$ 77,783	\$ 457,775
Expenditures:															
Instruction:															
Salaries of Teachers	\$ 22,241	\$ 5,136	\$ -	\$ 10,167	\$ 1,573	\$ -	\$ -	\$ -	20,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,276
Other Purchased Services	5,395	22,822	4,242	22,996	3,200	8,705	759	61,493		459	376				61,493
General Supplies								1,026							63,894
Textbooks															1,026
Total Instruction	27,636	27,958	4,242	33,163	4,773	8,705	759	62,519	20,859	459	376	-	-	-	191,449
Support Services:															
Salaries of Supervisors of Instruction		299	7,156				3,781	14,997					3,520		29,753
Personal Services/Employee Benefits	1,701	416	548	777	121		289	1,148	1,596				284		6,860
Purchased Profited Services			200	16,365			1,881	73,500							91,946
Other Purchased Services		1,409							11,190			22,579	9,123		33,111
Supplies and Materials		10,500					751	4,000					432		26,873
Student Activities														81,339	81,339
Total Support Services	1,701	12,624	7,904	17,142	121	-	6,702	93,645	12,786	-	-	22,579	13,339	81,339	269,882
Total Expenditures	29,337	40,582	12,146	50,305	4,894	8,705	7,461	156,164	33,645	459	376	22,579	13,339	81,339	461,331
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,556)	\$ (3,556)

**SECTION G – PROPRIETARY FUNDS
DETAIL STATEMENTS**

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

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

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

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

SECTION I – LONG-TERM DEBT SCHEDULES

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

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024
			Date	Amount					
School Bonds	3/15/2019	\$ 1,460,000	3/15/2025	145,000	2.000%				
			3/15/2026	150,000	2.000%				
			3/15/2027	155,000	2.250%				
			3/15/2028	160,000	2.500%				
			3/15/2029	160,000	3.000%	915,000	\$ -	\$ 145,000	\$ 770,000
						<u>\$ 915,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 770,000</u>

**FRANKFORD TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 109,618	\$ -	\$ 109,618	\$ 109,618	\$ -
Total Revenues	166,088	-	166,088	166,088	-
EXPENDITURES:					
Debt Service - Regular:					
Interest	21,088		21,088	21,088	-
Redemption of Principal	145,000		145,000	145,000	-
Total Expenditures	166,088	-	166,088	166,088	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES):					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fu					
Total Other Financing Sources (Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balance, July 1	2	-	2	2	-
Fund Balance, June 30	2	\$ -	\$ 2	\$ 2	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Budgeted Fund Balance	2	\$ -	\$ 2	\$ 2	\$ -

**STATISTICAL SECTION
(UNAUDITED)**

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

Contents

Financial Trends

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

Revenue Capacity (Not Applicable To District)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

FRANKFORD TOWNSHIP BOARD OF EDUCATION

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets										
Restricted	\$ 4,743,368	4,746,056	4,948,629	\$ 4,126,421	\$ 3,885,244	\$ 2,784,764	\$ 3,655,266	\$ 3,167,318	\$ 2,244,763	\$ 1,810,762
Unrestricted	1,001,522	1,245,508	1,332,941	685,839	563,738	1,478,455	406,802	657,179	954,980	865,648
	(2,248,658)	(2,664,094)	(3,429,544)	(2,536,546)	(2,504,492)	(2,839,689)	(2,824,204)	(2,649,351)	(2,431,600)	(2,308,280)
Total Governmental Activities Net Assets/ Position	\$ 3,496,232	\$ 3,327,470	\$ 2,852,026	\$ 2,275,714	\$ 1,944,490	\$ 1,423,550	\$ 1,237,864	\$ 1,175,146	\$ 768,143	\$ 368,130
Business-Type Activities										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ -	\$ 16,921	\$ 16,921	\$ 16,921	\$ 19,483	\$ 1,873	\$ 9,067	\$ -	\$ -	\$ -
Unrestricted	\$ 135,284	106,328	60,072	19,679	(23,069)	\$ 32,013	\$ 25,336	\$ 33,286	\$ 27,838	\$ 19,705
Total Business-Type Activities Net Assets/Position	\$ 135,284	\$ 123,249	\$ 76,993	\$ 36,600	\$ (3,586)	\$ 33,886	\$ 34,403	\$ 33,286	\$ 27,838	\$ 19,705
District-Wide										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 4,743,368	\$ 4,762,977	\$ 4,965,550	\$ 4,143,342	\$ 3,904,727	\$ 2,786,637	\$ 3,664,333	\$ 3,167,318	\$ 2,244,763	\$ 1,810,762
Restricted	1,001,522	1,245,508	1,332,941	685,839	563,738	1,478,455	406,802	657,179	954,980	865,648
Unrestricted	(2,113,374)	(2,557,766)	(3,369,472)	(2,516,867)	(2,527,561)	(2,807,656)	(2,798,868)	(2,616,065)	(2,403,762)	(2,288,575)
Total District Net Position	\$ 3,631,516	\$ 3,450,719	\$ 2,929,019	\$ 2,312,314	\$ 1,940,904	\$ 1,457,436	\$ 1,272,267	\$ 1,208,432	\$ 795,981	\$ 387,835

Source: District's Financial Records

FRANKFORD TOWNSHIP BOARD OF EDUCATION
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis accounting)
 Unaudited

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction										
Regular	\$ 3,721,487	\$ 3,775,463	\$ 3,796,195	\$ 6,403,424	\$ 5,857,514	\$ 6,325,945	\$ 7,171,133	\$ 6,885,550	\$ 6,293,203	\$ 6,230,212
Special Education	1,281,891	1,216,048	1,132,123	2,073,839	1,749,916	2,024,488	2,037,013	2,073,288	1,993,996	2,188,639
Other Instruction	538,476	535,216	535,216	615,216	935,111	935,111	935,111	935,111	935,111	935,111
School Sponsored Activities and Athletics	39,421	300,569	96,576	78,203	130,301	129,172	147,888	153,993	137,138	112,344
Support Services:										
Students and instructors related services	1,309,912	1,436,798	1,357,626	1,573,200	1,259,771	1,300,380	1,423,822	1,337,019	1,212,985	1,212,357
General Administration Services	3,176,242	357,466	1,616,110	440,569	416,226	464,971	460,310	504,345	495,033	400,845
School Administration Services	3,151,022	4,920,930	4,937,032	488,559	416,914	447,143	440,736	406,830	406,830	378,911
Business/ Central Services				493,815	475,881	548,827	578,898	524,341	468,485	434,261
Plant operations and maintenance	982,493	999,010	920,282	1,118,647	1,386,030	1,227,677	1,285,414	1,149,311	1,275,287	1,080,322
Pupil Outlay	624,259	586,577	520,380	560,984	526,448	622,987	655,073	525,744	545,735	515,751
Unallocated term debt	30,182	22,487	30,771	20,773	78,962	25,139	28,145	25,324	26,292	30,999
Unallocated Depreciation	354,719	357,688	347,428	20,773	78,962	25,139	28,145	25,324	26,292	30,999
Total Governmental Activities Expenses	\$ 15,032,504	\$ 14,073,638	\$ 15,111,788	\$ 13,849,289	\$ 12,914,384	\$ 13,750,776	\$ 15,250,909	\$ 14,268,323	\$ 13,458,507	\$ 13,007,144
Business-Type Activities:										
Food Service	173,207	172,634	185,346	59,463	132,285	171,325	169,984	162,274	158,703	155,152
Summer Enrichment	26,208	27,856	15,635	3,612	22,967	21,057	27,759	23,307	12,690	13,098
Preschool Program	49,300	20,000	20,000	-	19,250	23,906	14,669	24,825	30,407	28,144
Total Business-Type Activities Expenses	\$ 248,715	\$ 220,490	\$ 220,981	\$ 63,075	\$ 174,502	\$ 216,188	\$ 212,412	\$ 210,406	\$ 201,800	\$ 196,394
Total District Expenses	\$ 15,281,219	\$ 14,294,128	\$ 15,332,769	\$ 13,912,364	\$ 13,088,886	\$ 13,966,964	\$ 15,463,321	\$ 14,478,729	\$ 13,660,307	\$ 13,203,538
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 77,783	\$ 69,932	\$ 35,344	\$ 12,641	-	-	-	-	-	-
Operating Grants and Contributions	893,450	982,626	1,158,996	4,284,714	3,452,911	4,191,534	5,428,935	4,762,663	3,740,474	3,338,360
Capital Grants and Contributions	-	-	-	-	-	-	-	6,270	160,261	6603
Total Governmental Activities Program Revenues	\$ 971,233	\$ 1,052,558	\$ 1,194,340	\$ 4,297,355	\$ 3,452,911	\$ 4,191,534	\$ 5,428,935	\$ 4,768,933	\$ 3,900,735	\$ 3,344,963
Business-Type Activities:										
Charges for Services	179,305	213,873	221,792	1,628	74,149	115,832	118,870	114,888	108,905	94,096
Food Service	28,835	23,549	19,213	18,907	5,335	24,669	23,219	31,244	15,585	11,294
Summer Enrichment	44,950	24,250	20,100	362,150	19,250	23,500	14,813	16,405	33,950	22,907
Preschool Program	-	-	-	32,626	34,658	47,590	56,288	53,191	50,414	52,549
Operating Grants and Contributions	-	0	0	362,150	355,376	-	-	-	-	-
Capital Grants and Contributions	253,090	261,672	261,105	777,461	488,768	211,591	213,220	215,728	209,854	180,846
Total Business-Type Activities Program Revenues	\$ 1,224,323	\$ 1,314,230	\$ 1,455,445	\$ 5,074,816	\$ 3,941,679	\$ 4,403,425	\$ 5,642,165	\$ 4,984,661	\$ 4,110,589	\$ 3,525,809
Total District Program Revenues	\$ 1,224,323	\$ 1,314,230	\$ 1,455,445	\$ 5,074,816	\$ 3,941,679	\$ 4,403,425	\$ 5,642,165	\$ 4,984,661	\$ 4,110,589	\$ 3,525,809
Net (Expense)/Revenue	\$ (14,056,896)	\$ (13,079,898)	\$ (13,877,324)	\$ (8,637,548)	\$ (9,147,207)	\$ (9,563,539)	\$ (9,821,156)	\$ (9,493,796)	\$ (9,549,718)	\$ (9,677,729)
Business-Type Activities	4,375	41,182	40,124	714,386	314,268	(4,597)	818	5,322	6,054	(15,548)
Total District-Wide Net Expense	\$ (14,056,896)	\$ (12,979,898)	\$ (13,877,324)	\$ (8,637,548)	\$ (9,147,207)	\$ (9,563,539)	\$ (9,821,156)	\$ (9,488,468)	\$ (9,543,664)	\$ (9,693,277)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,761,993	\$ 9,385,393	\$ 9,213,940	\$ 8,893,889	\$ 8,625,259	\$ 8,373,947	\$ 8,388,639	\$ 8,427,693	\$ 8,496,908	\$ 8,501,764
Taxes Levied for Debt Service	166,088	163,888	161,588	97,206	100,477	78,303	103,323	82,973	58,218	86,292
State Aid - Levied for Debt Service	-	-	-	-	-	7,313	-	-	-	-
Federal and State Aid Unrestricted	4,151,603	3,909,501	5,299,315	935,715	1,035,935	1,188,937	1,324,972	1,352,235	1,356,499	1,355,507
Miscellaneous Income	75,573	74,095	30,048	1,761	29,934	40,468	28,611	27,862	35,721	43,893
Capital Assets	74,776	53,047	5,361	6,583	36,553	59,582	39,067	15,600	6,127	5,942
Donated Capital Assets	-	-	-	-	-	-	-	-	4,299	-
Transfers	-	-	-	(50,000)	(3,300)	(3,300)	-	-	-	(10,000)
Total Governmental Activities	\$ 14,230,033	\$ 13,866,524	\$ 14,670,272	\$ 9,883,158	\$ 9,824,838	\$ 9,744,628	\$ 9,884,892	\$ 9,906,393	\$ 9,957,785	\$ 9,982,298
Business-Type Activities:										
Investment Earnings	-	0	0	0	0	0	0	0	0	64
Miscellaneous	7,660	5,074	269	269	3,300	3,300	299	126	79	10,000
Transfers	7,660	5,074	269	269	3,300	3,300	299	126	79	10,000
Total Business-Type Activities	\$ 15,237,693	\$ 13,901,598	\$ 14,670,541	\$ 9,933,258	\$ 9,828,476	\$ 9,748,708	\$ 9,884,991	\$ 9,906,519	\$ 9,957,864	\$ 9,992,362
Total District Wide	\$ 15,237,693	\$ 13,901,598	\$ 14,670,541	\$ 9,933,258	\$ 9,828,476	\$ 9,748,708	\$ 9,884,991	\$ 9,906,519	\$ 9,957,864	\$ 9,992,362
Change in Net Position	\$ 168,762	\$ 475,444	\$ 752,824	\$ 331,224	\$ 363,365	\$ 185,686	\$ 62,718	\$ 407,003	\$ 400,013	\$ 320,117
Governmental Activities	12,035	46,256	40,393	764,486	317,904	(517)	1,117	5,448	8,133	(5,484)
Business-Type Activities	\$ 180,797	\$ 521,700	\$ 793,217	\$ 1,095,710	\$ 681,269	\$ 185,169	\$ 63,605	\$ 412,451	\$ 408,146	\$ 314,633

Source: District's Financial Records

FRANKFORD TOWNSHIP BOARD OF EDUCATION

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable										
Restricted	\$ 955,811	\$ 1,191,794	\$ 1,279,494	\$ 927,481	\$ 820,103	\$ 1,683,442	\$ 2,186,058	\$ 2,019,680	\$ 1,464,506	\$ 1,020,617
Committed		-	-	38,000	506,358	302,666	26,400	-	-	-
Assigned	397,740	104,332	177,357	204,175	96,591	75,531	15,882	78,915	45,299	28,577
Unassigned	392,991	566,653	465,364	278,679	79,827	63,983	64,754	56,246	59,022	59,140
Total General Fund	\$ 1,746,542	\$ 1,862,779	\$ 1,922,215	\$ 1,448,335	\$ 1,502,879	\$ 2,125,622	\$ 2,293,094	\$ 2,154,841	\$ 1,568,827	\$ 1,108,334
All Other Governmental Funds										
Restricted	50,229	53,785	57,210	58,358	43,635	195,013	(1,163,522)	(812,501)	40,474	395,031
Total All Other Governmental Funds	\$ 50,229	\$ 53,785	\$ 57,210	\$ 58,358	\$ 43,635	\$ 195,013	\$ (1,163,522)	\$ (812,501)	\$ 40,474	\$ 395,031

Source: District's Financial Records

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances - Governmental Funds
Available for Fiscal Year Ending 2024
(modified accrual basis of accounting)
 Unaudited

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Tax Levy	9,871,611	9,503,558	9,320,588	8,991,095	8,725,736	8,452,250	8,491,982	8,510,666	8,555,126	8,987,056
Interest Charges	17,000	-	-	-	-	-	-	-	-	-
Interest Earnings	74,776	53,647	5,381	4,587	36,533	59,282	38,057	15,600	6,127	5,842
Miscellaneous	122,609	130,806	48,086	90,340	64,905	55,031	43,414	48,532	82,145	44,519
Local Sources	13,339	13,221	17,306	-	-	-	-	-	-	-
State Sources	4,437,682	4,351,783	4,651,943	4,143,692	3,800,773	3,887,463	3,690,687	3,491,172	3,386,963	3,122,242
Federal Sources	343,239	496,067	538,350	330,943	259,080	215,127	253,750	253,004	236,349	271,556
Total Revenues	14,880,664	14,549,082	14,581,654	13,560,657	12,887,027	12,669,153	12,518,870	12,318,974	12,276,710	12,031,215
Expenditures:										
Instruction	3,703,758	3,750,720	3,776,579	5,959,435	5,558,984	5,517,506	5,458,808	5,322,283	5,231,943	5,351,788
Regular Instruction	1,585,767	1,576,650	1,478,882	1,941,414	1,703,730	1,819,383	1,840,261	1,647,141	1,719,057	1,887,122
Special Education Instruction	96,421	100,569	96,576	561,716	583,552	550,420	530,559	492,225	500,790	423,315
Other Instruction	-	-	-	76,115	124,877	114,463	115,394	124,546	117,530	96,741
School Sponsored Activities and Athletics	-	-	-	-	-	-	-	-	-	-
Support Services:	1,479,456	1,389,860	1,357,587	1,482,222	1,307,918	1,233,167	1,243,275	1,213,271	1,181,565	1,203,755
Student & Inst Related Services	384,000	384,000	384,000	400,000	384,000	384,000	384,000	384,000	384,000	384,000
Food Service	278,259	398,858	414,610	412,694	383,409	373,784	355,189	338,332	336,748	320,749
School Administration Services	5,029,896	4,801,517	4,733,220	439,715	477,327	504,917	471,482	436,648	420,636	404,093
Business/ Central Services	1,014,060	967,226	901,231	1,017,357	1,031,565	905,151	900,018	899,026	1,055,556	906,236
Plant Operations and Maintenance	624,259	586,577	520,380	531,134	515,164	596,739	606,189	490,362	530,109	504,881
Pupil Transportation	426,732	223,992	46,624	490,167	796,332	939,555	650,391	1,223,004	530,258	189,116
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:	145,000	140,000	135,000	185,243	849,082	252,637	173,110	163,512	172,022	149,289
Principal	20,088	20,088	20,088	31,462	83,000	31,462	20,088	20,088	20,088	20,088
Interest and Other Charges	124,912	119,912	114,912	153,781	866,082	221,175	153,022	143,424	151,934	129,201
Total Expenditures	15,000,457	14,611,942	14,108,921	13,550,478	13,815,423	13,252,867	12,746,520	12,779,319	12,170,774	11,817,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,793)	(62,860)	472,733	10,179	(928,396)	(593,814)	(221,650)	(460,345)	105,936	213,467
Other Financing Uses:										
State Repayment	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (119,793)	\$ (62,860)	\$ 472,733	\$ 10,179	\$ (928,396)	\$ (593,814)	\$ (221,650)	\$ (460,345)	\$ 105,936	\$ 213,467
Other Financing Sources (uses)										
Proceeds from Bond Issuance	-	-	-	-	-	1,460,000	-	-	-	-
Premium from Notes	-	-	-	-	-	-	8,882	-	-	-
Capital Leases (Non-budgeted)	-	-	-	-	-	318,177	-	193,384	-	35,000
Transfers In	-	-	-	-	157,725	208,882	40,474	40,474	-	165,589
Transfers Out	-	-	-	(50,000)	(161,025)	(3,300)	(208,882)	(40,474)	-	(175,589)
Total Other Financing Sources (uses)	-	-	-	(50,000)	(3,300)	1,774,877	8,882	193,384	-	25,000
Net Change in Fund Balances	\$ (119,793)	\$ (62,860)	\$ 472,733	\$ (39,821)	\$ (931,696)	\$ 1,191,063	\$ (212,768)	\$ (266,961)	\$ 105,936	\$ 238,467
Debt Service As A Percentage of Noncapital Expenditures	1.14%	1.14%	1.15%	1.74%	7.16%	2.25%	1.63%	1.63%	1.72%	1.56%

Source: District's Financial Records

FRANKFORD TOWNSHIP BOARD OF EDUCATION

General Fund - Other Local Revenue by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Unaudited

Fiscal Year Ending June 30,	Interest	Miscellaneous Revenue	Total
2024	\$ 74,776	\$ 44,826	\$ 119,602
2023	53,647	60,874	114,521
2022	5,381	12,742	18,123
2021	4,587	90,340	94,927
2020	36,533	29,884	66,417
2019	59,282	40,204	99,486
2018	39,057	28,801	67,858
2017	15,600	27,892	43,492
2016	6,127	35,734	41,861
2015	5,842	43,893	49,735

Source: District records

REVENUE CAPACITY

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

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2024	\$ 14,204,500	\$ 591,138,200	\$ 67,998,200	\$ 2,859,100	\$ 63,930,200	\$ 5,316,900	\$ 859,800	\$ 746,306,900		\$ 746,306,900	\$ 1,014,583,014	1.177
2023	\$ 15,181,000	\$ 598,647,800	\$ 67,800,000	\$ 2,874,300	\$ 62,263,300	\$ 5,316,900	\$ 859,800	\$ 742,943,100		\$ 742,943,100	\$ 921,767,871	1.132
2022	\$ 14,992,600	\$ 597,815,000	\$ 67,841,500	\$ 2,812,100	\$ 59,762,200	\$ 5,529,600	\$ 859,800	\$ 739,612,800		\$ 739,612,800	\$ 851,418,105	1.108
2021	\$ 14,932,800	\$ 596,217,400	\$ 68,579,400	\$ 3,371,100	\$ 59,662,900	\$ 5,529,600	\$ 859,800	\$ 739,153,000		\$ 739,153,000	\$ 808,345,192	1.081
2020	\$ 15,225,500	\$ 592,157,000	\$ 68,205,700	\$ 3,131,900	\$ 59,415,000	\$ 5,529,600	\$ 859,800	\$ 734,524,500		\$ 734,524,500	\$ 810,178,789	1.022
2019	\$ 16,548,600	\$ 591,811,500	\$ 66,688,700	\$ 3,085,300	\$ 59,727,200	\$ 5,529,600	\$ 859,800	\$ 731,290,300		\$ 731,290,300	\$ 817,998,506	1.001
2018	\$ 16,805,100	\$ 590,099,600	\$ 66,492,300	\$ 3,098,200	\$ 58,405,700	\$ 5,529,600	\$ 859,800	\$ 731,290,300		\$ 731,290,300	\$ 796,082,118	0.984
2017	\$ 16,848,200	\$ 578,350,100	\$ 67,073,900	\$ 3,003,600	\$ 59,117,800	\$ 5,529,600	\$ 859,800	\$ 730,783,000		\$ 730,783,000	\$ 807,870,623	1.013
2016	\$ 16,952,900	\$ 577,131,100	\$ 66,649,100	\$ 3,008,700	\$ 59,222,500	\$ 5,529,600	\$ 841,700	\$ 729,335,600	2,049,219	\$ 731,384,819	\$ 824,978,449	1.024
2015	\$ 17,180,700	\$ 570,042,100	\$ 71,069,100	\$ 3,065,400	\$ 59,064,500	\$ 5,529,600	\$ 841,700	\$ 726,793,100	1,183,338	\$ 727,976,438	\$ 825,685,795	1.008

Sources: County Abstract of Ratables

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

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

Overlapping Rates						
Year Ended June 30,		Total Direct School Tax Rate	Regional School District	Municipality	County	Total Direct and Overlapping Tax Rate
2024	(B)	1.117	0.741	0.406	0.640	2.904
2023	(B)	1.132	0.707	0.010	1.036	2.885
2022	(B)	1.108	0.661	0.005	1.041	2.815
2021	(B)	1.081	0.619	0.388	0.642	2.730
2020	(B)	1.022	0.601	0.383	0.646	2.652
2019	(B)	1.001	0.545	0.384	0.647	2.577
2018	(B)	0.984	0.566	0.369	0.634	2.553
2017	(B)	1.013	0.559	0.340	0.632	2.544
2016	(B)	1.024	0.598	0.366	0.588	2.576
2015		1.008	0.649	0.350	0.556	2.563

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

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

Source: County Abstract of Ratables

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

Taxpayer	2023		2013	
	Taxable Assessed	% of Total District Net	Taxable Assessed	% of Total District Net
	Value	Assessed Value	Value	Assessed Value
129 Morris Turnpike Realty, LLC	\$ 6,500,000	0.87%		
Sussex County Farm & Horse Show	2,793,000	0.38%	\$ 3,969,400	0.42%
Drede Wawa, LLC	2,696,900	0.36%		
Visions Federal Credit Union	2,419,600	0.33%		
Branchville Manor	2,362,900	0.32%	3,932,800	0.42%
Corn Patch Realty, LLC	2,100,000	0.28%		
Individual	1,987,500	0.27%	2,779,500	0.30%
Mendiburu, Thomas	1,647,100	0.22%		
Skylands Stadium, LLC	1,600,000	0.22%		
Turning Point Equities, LLC	1,550,700	0.21%		
Skylands Park Management, Inc.			6,735,200	0.72%
Toll NJ IV, LP			3,612,100	0.38%
Individual			2,955,600	0.31%
United Telephone			2,831,197	0.30%
Tri-Co Federal Credit Union			2,721,200	0.29%
Hutan Corp			2,394,800	0.25%
Clemrose Properties, Inc.			2,115,200	0.22%
Total	\$ 25,657,700	3.45%	\$ 34,046,997	3.61%

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2024	\$ 9,871,611	\$ 9,871,611	100.00%	N/A
2023	\$ 9,503,558	\$ 9,404,255	98.96%	\$ 99,333
2022	9,320,588	9,320,588	100.00%	N/A
2021	8,991,095	8,991,095	100.00%	N/A
2020	8,725,736	8,725,736	100.00%	N/A
2019	8,452,250	8,452,250	100.00%	N/A
2018	8,491,962	8,378,212	98.66%	N/A
2017	8,510,666	8,510,624	100.00%	\$ 42
2016	8,555,126	8,555,126	100.00%	\$ 113,750
2015	8,587,056	8,587,056	100.00%	N/A

DEBT CAPACITY

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANS)	Capital Leases				
2024	\$ 770,000	\$ -	\$ -	\$ -	-	\$ -	770,000	5,274	\$ 146
2023	915,000	-	-	-	-	-	915,000	5,274	\$ 173
2022	1,055,000	-	-	-	-	-	1,055,000	5,274	\$ 200
2021	1,190,000	-	-	-	-	-	1,190,000	5,274	\$ 226
2020	1,370,000	-	16,243	-	-	-	1,386,243	5,274	\$ 263
2019	1,460,000	-	775,325	-	-	-	2,235,325	5,274	\$ 421
2018	85,000	-	624,785	\$ 1,463,216	-	-	2,173,001	5,311	408
2017	165,000	-	717,895	1,463,216	-	-	2,346,111	5,325	439
2016	245,000	-	608,123	-	-	-	853,123	5,345	159
2015	325,000	-	700,145	-	-	-	1,025,145	5,361	190

*** Estimates**

Source: District Records

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

Fiscal Year Ended June 30,	General Obligation Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Debt	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 770,000		\$ 770,000		
2023	915,000	\$ 1	914,999	N/A	N/A
2022	1,055,000	1	1,054,999	N/A	N/A
2021	1,190,000	1	1,189,999	0.16%	226
2020	1,370,000	42	1,369,958	0.19%	260
2019	1,460,000	21,553	1,438,447	0.20%	271
2018	85,000	21,511	63,489	0.01%	12
2017	165,000	1	164,999	0.02%	31
2016	245,000	-	245,000	0.03%	46
2015	325,000	25,915	299,085	0.04%	55
2014	480,000	-	480,000	0.06%	74

Source: District Records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

FRANKFORD TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
Frankford Township Board of Education	\$ 915,000	\$ 915,000	\$ -
Township of Frankford	-	-	-
	<u>\$ 915,000</u>	<u>\$ 915,000</u>	<u>-</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY:			
Sussex County:			
County of Sussex (A)			<u>-</u>
			<u>-</u>
Total Direct and Overlapping Debt			<u>N/A</u>

Source:

(1) Township of Frankford's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township of Frankford by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Sussex County.

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2023	\$ 923,649,077
2022	\$ 852,781,994
2021	\$ 848,430,900
	<u>\$ 2,624,861,971</u>
Average Equalized Valuation of Taxable Property	\$ 874,953,990
Debt Limit (3% of Average Equalization Value)	26,248,620
Total Net Debt Applicable To Limit	<u>1,190,000</u>
Legal Debt Margin	<u>\$ 25,058,620</u>

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$ 25,058,620	\$ 23,829,591	\$ 23,374,008	\$ 24,200,636	\$ 24,121,816	\$ 24,085,449	\$ 24,138,075	\$ 24,374,864	\$ 24,730,427	\$ 25,040,933
Total Net Debt Applicable to Limit	<u>1,190,000</u>	<u>1,190,000</u>	<u>1,190,000</u>	<u>1,190,000</u>	<u>1,370,000</u>	<u>1,463,216</u>	<u>1,548,216</u>	<u>1,628,216</u>	<u>245,000</u>	<u>325,000</u>
Legal Debt Margin	<u>\$ 23,868,620</u>	<u>\$ 22,639,591</u>	<u>\$ 22,184,008</u>	<u>\$ 23,010,636</u>	<u>\$ 22,751,816</u>	<u>\$ 22,622,233</u>	<u>\$ 22,589,859</u>	<u>\$ 22,746,648</u>	<u>\$ 24,485,427</u>	<u>\$ 24,715,933</u>

Total Net Debt Applicable to the Limit
As a Percentage of Debt Limit

1.30%

Source: Annual Debt Statements

0.99%

6.68%

6.41%

6.08%

5.68%

4.92%

5.09%

4.99%

4.75%

DEMOGRAPHIC AND ECONOMIC INFORMATION

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2024	5,304	N/A	\$ 71,671 *	4.2%
2023	5,319	N/A	\$ 71,671 *	4.0%
2022	5,362 *	N/A	\$ 71,671	5.6%
2021	5,274 *	N/A	\$ 71,059	8.8%
2020	5,274 *	N/A	\$ 67,814	3.6%
2019	5,311	N/A	\$ 64,284	4.0%
2018	5,325	N/A	\$ 61,531	4.6%
2017	5,345	N/A	\$ 59,144	4.8%
2016	5,361	N/A	\$ 57,327	5.0%
2015	5,392	N/A	\$ 55,722	5.9%
2014	5,443	N/A	\$ 54,116	7.0%
			\$ 51,724	6.5%

Source: New Jersey State Department of Education

* Estimate

N/A - not available

Source: Charter School's Records

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

2023				2013			
Percentage of Total Municipal Employment				Percentage of Total Municipal Employment			
Employer	Employees	Rank		Employer	Employees	Rank	

NOT AVAILABLE

OPERATING INFORMATION

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction	-	-	-	-	-	-	-	-	-	-
Regular	43.0	44.3	45.1	45.1	45.1	45.1	46.1	45.0	47.3	46.4
Special Education	23.6	22.9	20.0	19.2	20.2	20.3	20.8	22.0	21.8	26.9
Other Instruction	4.0	3.0	3.0	5.0	5.0	5.0	5.0	4.3	4.0	1.0
Support Services:										
Student and Instruction Related Services	8.2	8.7	8.6	8.8	8.8	8.8	8.8	9.7	9.4	8.6
General Administration Services	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
School Administrative Services	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Business / Central Services	3.0	3.0	3.0	3.6	3.6	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	6.9	6.9	6.9	6.9	6.9	7.6	7.7	6.4	6.4	6.0
Pupil Transportation	2.6	2.7	2.6	2.7	2.7	2.7	2.2	2.3	2.8	2.7
Total	96.4	96.6	94.3	96.4	97.4	98.6	99.7	98.8	100.8	100.7

Source: District Personnel Records

Note:

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pre Kindergarten	Pupil/Teacher Ratio		Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary	Middle School					
2024	506.0	\$ 13,946,306	\$ 27,562	7.17%	71	N/A	1:08	1:08	N/A	505.4	475.8	1.02%	94.14%
2023	505.0	13,668,983	27,067	1.24%	70	N/A	1:08	1:08	N/A	500.3	469.6	-8.16%	93.86%
2022	499.0	12,832,961	25,717	6.03%	68	N/A	1:08	1:08	N/A	541.1	498.7	12.47%	92.16%
2021	480.0	12,708,302	26,476	6.03%	71	N/A	1:08	1:08	N/A	473.6	465.3	-6.46%	98.25%
2020	504.0	12,036,648	23,882	4.32%	71	N/A	1:08	1:08	N/A	504.2	489.4	-2.12%	97.06%
2019	498.0	11,893,234	23,882	5.07%	71	N/A	1:08	1:08	N/A	503.7	482.6	-2.81%	95.81%
2018	517.0	11,368,109	21,989	4.42%	71	N/A	1:08	1:08	N/A	514.6	493.0	0.95%	95.80%
2017	516.0	11,440,446	22,171	1.29%	71	N/A	1:08	1:08	N/A	529.5	506.1	-2.91%	95.58%
2016	526.0	11,447,636	21,764	3.17%	70	N/A	1:08	1:08	N/A	524.5	502.1	-2.33%	95.73%
2015	543.0	11,085,074	20,415	5.74%	69	N/A	1:08	1:08	N/A	540.2	517.9	-2.39%	95.87%

Sources: District records

Note:

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>District Building</u>										
<u>Early Learning Center</u>										
<u>Branchville School (1920)</u>										
Square Feet	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Capacity (students)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<u>Elementary/ Middle School</u>										
<u>Frankford Twp.School (1950)</u>										
Square Feet										
Capacity (students)										
Enrollment										
<u>Early Learning Center</u>										
<u>Modular Trailer (2014)</u>										
Square Feet	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,357
Capacity (students)	44	44	44	44	44	44	44	44	44	44
Enrollment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<u>Other</u>										
Administration Building										
Square Feet	800	800	800	800	800	800	800	800	800	800
CST Trailer										
Square Feet	-	756	756	756	756	756	756	756	756	756

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

Source: District Records

FRANKFORD TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(Unaudited)

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

* School Facilities	Project # (s)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Frankford Township School	1560-050-03-0317	\$ 207,888	\$ 147,495	\$ 105,373	\$ 110,437	\$ 236,598	\$ 89,771	\$ 130,876	\$ 123,603	\$ 39,462	\$ 36,069
Grand Total		\$ 207,888	\$ 147,495	\$ 105,373	\$ 110,437	\$ 236,598	\$ 89,771	\$ 130,876	\$ 123,603	\$ 39,462	\$ 36,069

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

Source: District records

FRANKFORD TOWNSHIP BOARD OF EDUCATION

Insurance Schedule

June 30, 2021

(Unaudited)

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

	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund	\$ 500,000,000	
Building & Personal Property		\$ 2,500
Inland Marine - Auto Physical Damage		1,000
General Liability including Auto,	10,000,000	
Employee Benefits	5,000,000	
Each Occurrence		
General Aggregate (Fund)	100,000,000	
Product/Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses		
(excluding students taking part in athletics)	10,000	
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Security Guard Liability		
Environmental Impairment Liability	1,000,000/10,000,000 Fund Agg.	
(excludes mold, fungus, fungi & PFAS)		50,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler & Machinery	100,000,000	2,500
Excess Liability (AL/GL/SLPL)	5,000,000	
School Leaders Professional Liability	\$ 5,000,000	\$ 5,000
Cyber Liability (Per Occurrence/ Aggregate)	750,000,000 per Occurrence/Agg	Various
Workers' Compensation	Statutory	
Employer's Liability	\$ 5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Administrator	25,000 Selective Insurance	
Bond for Treasurer of School Monies	190,000	
Student Accident	Voluntary Coverage only eff	
	8/1/23-24	

SINGLE AUDIT SECTION

BARRE & COMPANY LLC
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K-1
Page 1

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of Frankford Township Board of Education (District), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


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

Union, New Jersey
December 27, 2024

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K-2
Page 1

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Frankford Township Board of Education's compliance with the types of compliance requirements described in the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024. The Frankford Township Board of Education's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

Basis for Opinion on Each Major State Program (Continued)

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Frankford Township Board of Education's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Frankford Township Board of Education's compliance with the requirements of each major State and Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Frankford Township Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Auditor's Responsibilities for the Audit of Compliance (Continued)

- Obtain an understanding of Frankford Township Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *Uniform Guidance* and the New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid but not for the purpose of expressing an opinion on the effectiveness of Frankford Township Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

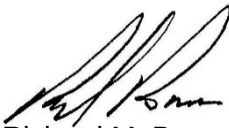
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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



BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants



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

Union, New Jersey
December 27, 2024

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2023	Carryover/ (Withover) Amount	Cash Received	Budgetary Expenditures	Pass-Through To Subrecipients	Adjustments	Repayment Of Prior Years' Balances	Accounts Receivable	Balance at June 30, 2024 Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education																
State of Michigan																
No Child Left Behind:																
Title I Part A	84.010A	N/A	S0010A240030		\$	6/30/24	\$	-	\$	\$	\$	\$	\$	\$	\$	\$
Title I Part A - Carryover	84.367		S367A240029	NCLB - 24	29,337	7/1/23	6/30/24	-	26,617	(29,337)	-	-	-	(2,720)	-	-
Title I Part A - New	84.367	84.367A	S367A240029	NCLB - 23	12,146	7/1/23	6/30/24	(4,550)	5,512	(12,146)	-	-	-	(6,634)	-	-
Total No Child Left Behind					9,236	7/1/23	6/30/23	(4,550)	36,479	(41,483)	-	-	-	(9,354)	-	-
Special Education Cluster (IDEA):																
IDEA Part B Basic	84.027	84.027A	H077A240031	IDEA - 24	135,164	7/1/23	6/30/24	-	132,483	(135,164)	-	-	-	(3,671)	-	-
IDEA Part B Preschool	84.027	84.027A	H077A240031	IDEA - 23	1,437	7/1/23	6/30/23	(2,233)	5,275	(7,461)	-	-	-	(2,186)	-	-
IDEA Part B Preschool	84.173	N/A	H027A240031	IDEA - 24	7,461	9/1/23	8/31/24	(2,233)	16,001	(163,629)	-	-	-	(9,657)	-	-
Total Special Education Cluster (IDEA)																
Other Special Revenue Funds:																
REAP Grant	XX.XXX		0	N/A	40,582	9/1/23	8/31/24	-	36,459	(40,582)	-	-	-	(4,123)	-	-
REAP Grant (Carryover)	XX.XXX		0	N/A	35,917	9/1/23	8/31/24	(5,905)	5,905	-	-	-	-	-	-	-
REAP Grant (New)	84.425B		S425B230027	N/A	35,917	9/1/23	8/31/24	-	32,591	(35,917)	-	-	-	(3,326)	-	-
ARP ESSER III	84.425	84.425U	S425U230027	N/A	50,315	3/1/20	9/30/24	-	22,918	(50,315)	-	-	-	(27,397)	-	-
ARP ESSER Evidence Based Summer Learning and Enrichment	84.425	COVID-19, 84.425U	S425U230027	N/A	4,894	3/1/20	9/30/24	-	4,563	(4,894)	-	-	-	(331)	-	-
ARP ESSER Learning Acceleration Grant	84.425	COVID-19, 84.425D	S425D230027	N/A	8,705	3/1/20	9/30/23	-	3,935	(8,705)	-	-	-	(4,770)	-	-
Total Other Special Revenue Funds								(5,905)	106,859	(138,131)	-	-	-	(38,178)	-	-
Total Special Revenue Fund								(12,468)	302,338	(343,259)	-	-	-	(53,389)	-	-
U.S. Department of Agriculture																
Passed-through State Department of Agriculture																
COVID-19 National School Lunch Program	10.555	COVID-19	241N304N1099	N/A	26,928	7/1/23	6/30/24	(2,055)	25,717	(26,928)	-	-	-	(1,131)	-	-
Supply Chain Assistance (SCA)	10.555	COVID-19	231N304N1099	N/A	41,999	7/1/23	6/30/23	-	2,055	(43,054)	-	-	-	-	-	-
Total Child Nutrition Cluster					16,909	7/1/23	6/30/24	-	44,761	(69,982)	-	-	-	(2,182)	-	-
Total Enterprise Fund								(2,055)	44,761	(69,982)	-	-	-	(1,131)	-	-
Total Federal Financial Awards								(14,543)	347,099	(387,070)	\$	\$	\$	(54,520)	\$	\$

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023			Balance at June 30, 2024			MEMO				
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Wakover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance		(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid-Public	24-495-034-5120-078	\$ 49,190	7/1/23	6/30/24	\$	-	\$	-	\$	(49,190)	\$	-	\$	-	\$ 49,190
Equalization Aid- State Share	23-495-034-5120-071	35,267	7/1/22	6/30/23	(3,526)	-	-	-	3,526	(412,297)	(4,849)	-	-	-	412,297
Special Education Aid	24-495-034-5120-089	412,297	7/1/23	6/30/24	-	-	-	-	371,654	(40,643)	(40,643)	-	-	-	412,297
Special Education Categorical Aid	23-495-034-5120-089	412,297	7/1/22	6/30/23	(41,219)	-	-	-	41,219	(48,682)	(4,799)	-	-	-	48,682
Security Aid	24-495-034-5120-084	48,682	7/1/23	6/30/24	-	-	-	-	43,883	(14,784)	(14,784)	-	-	-	149,974
Security Aid	23-495-034-5120-084	48,682	7/1/22	6/30/23	(4,867)	-	-	-	4,867	(25,035)	(25,035)	-	-	-	253,966
Adjustment Aid	24-495-034-5120-084	149,974	7/1/23	6/30/24	-	-	-	-	135,180	(227,187)	(227,187)	-	-	-	227,187
Adjustment Aid	23-495-034-5120-085	275,735	7/1/22	6/30/23	(27,867)	-	-	-	24,868	(94,423)	(94,423)	-	-	-	94,423
Transportation Aid	24-495-034-5120-014	253,966	7/1/23	6/30/24	-	-	-	-	228,931	(317,297)	(317,297)	-	-	-	1,235,719
Transportation Aid	23-495-034-5120-014	253,966	7/1/22	6/30/23	(25,390)	-	-	-	25,390	(5,915)	(5,915)	-	-	-	5,915
Extraordinary Aid	24-495-034-5120-044	227,187	7/1/23	6/30/24	-	-	-	-	316,363	(420,741)	(420,741)	-	-	-	420,741
Extraordinary Aid	23-495-034-5120-044	316,363	7/1/22	6/30/23	(316,363)	-	-	-	94,423	(317,297)	(317,297)	-	-	-	94,423
Supplemental Stabilization Aid	24-100-034-5120-494	94,423	7/1/23	6/30/24	(419,232)	-	-	-	1,337,654	(2,235,719)	(2,235,719)	-	-	-	1,235,719
Total State Aid-Public															
Nonpublic School Transportation Costs	24-100-034-5120-068	5,915	7/1/23	6/30/24	-	-	-	-	8,736	(5,915)	(5,915)	-	-	-	5,915
Nonpublic School Transportation Costs	23-100-034-5120-068	8,736	7/1/22	6/30/23	(8,736)	-	-	-	-	(5,915)	(5,915)	-	-	-	5,915
On Behalf:															
TPAF Post-Retirement Medical	24-495-034-5094-001		7/1/23	6/30/24					549,669	(549,669)	(549,669)	-	-	-	549,669
TPAF Pension Contributions	24-495-034-5094-002		7/1/23	6/30/24					2,019,630	(2,019,630)	(2,019,630)	-	-	-	2,019,630
TPAF Non-Contributory Insurance	24-495-034-5094-004		7/1/23	6/30/24					906	(906)	(906)	-	-	-	906
Reimbursed TPAF - Social Security Contributions	24-495-034-5094-003	390,902	7/1/23	6/30/24	(19,513)	-	-	-	371,392	(390,902)	(390,902)	-	-	-	390,902
Reimbursed TPAF - Social Security Contributions	23-495-034-5094-003	388,253	7/1/22	6/30/23	(19,513)	-	-	-	19,513	(19,510)	(19,510)	-	-	-	390,902
Total Reimbursed TPAF-Social Security Cluster									390,905	(390,902)	(390,902)	-	-	-	390,902
Total General Fund					(447,481)	-	-	-	4,307,500	(4,202,741)	(4,202,741)	-	-	-	4,202,741
Special Revenue Fund:															
School Security Grant	24-XXX-XXX-XXXX-XXX	459	7/1/22	6/30/23	-	-	-	-	-	(459)	(459)	-	-	-	459
Clinical Awareness Grant	24-XXX-XXX-XXXX-XXX	376	7/1/23	6/30/24	-	-	-	-	446	(376)	(376)	70	-	-	376
SDA Emergent and Capital Maintenance Funds	24-XXX-XXX-XXXX-XXX	22,579	7/1/23	6/30/24	-	-	-	-	33,920	(22,579)	(22,579)	11,341	-	-	22,579
Total Special Revenue Fund					-	-	-	-	34,366	(23,414)	(459)	11,411	-	-	23,414
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	24-100-010-3350-023	2,739	7/1/23	6/30/24	(130)	-	-	-	2,593	(2,739)	(146)	-	-	-	2,739
National School Lunch Program (State Share)	23-100-010-3350-023	2,851	7/1/22	6/30/23	-	-	-	-	130	-	-	-	-	-	-
Total Enterprise Fund					(130)	-	-	-	2,723	(2,739)	(146)	-	-	-	2,739
Total State Financial Assistance Subject to Major Program Determination for State Single Audit					\$ (447,611)	\$ -	\$ -	\$ -	\$ 4,310,223	\$ (4,205,480)	\$ (342,868)	\$ -	\$ -	\$ -	\$ 4,205,480
State Financial Assistance Not Subject to Major Program Determination:															
General Funds (Non-Cash Assistance)															
TPAF Post-Retirement Medical	24-495-034-5094-001	549,669	7/1/23	6/30/24	-	-	-	-	549,669	(549,669)	(549,669)	-	-	-	549,669
TPAF Pension Contributions	24-495-034-5094-002	2,019,630	7/1/23	6/30/24	-	-	-	-	2,019,630	(2,019,630)	(2,019,630)	-	-	-	2,019,630
TPAF Non-Contributory Insurance	24-495-034-5094-004	906	7/1/23	6/30/24	-	-	-	-	906	(906)	(906)	-	-	-	906
Total General Funds (Non-Cash Assistance)					-	-	-	-	2,570,205	(2,570,205)	-	-	-	-	2,570,205
Total State Financial Assistance					\$ (447,611)	\$ -	\$ -	\$ -	\$ 1,740,018	\$ (1,635,275)	\$ (342,868)	\$ -	\$ -	\$ -	\$ 1,635,275

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2024

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2024

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Federal	State	Total
General Fund	\$ -	\$ 4,275,541	\$ 4,275,541
Special Revenue Fund	496,067	20,519	516,586
Food Service Fund	79,071	2,851	81,922
Total Awards & Financial Assistance	<u>\$ 575,138</u>	<u>\$ 4,298,911</u>	<u>\$ 4,874,049</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Frankford Township Board of Education has no loan balances outstanding at June 30, 2024.

NOTE 6. OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Notes to the Schedules of Expenditures
Of Federal Awards and State Financial Assistance
June 30, 2024

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

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

NOTE 8. DE MINIMIS INDIRECT COST RATE

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

NOTE 9. MAJOR PROGRAMS

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

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	None <u> X </u> Reported
Noncompliance material to basic financial statements noted?	_____ Yes	<u> X </u> No

Federal Awards

N/A

State Financial Assistance

Dollar threshold used to distinguish between Type A and Type B programs:		\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u> X </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	None <u> X </u> Reported
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable?	_____ Yes	<u> X </u> No
Identification of major state programs:		

GMIS Number(s)	Name of State Program
	<u>STATE AID – PUBLIC</u>
<u>24-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>24-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>
<u>24-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>24-495-034-5120-014</u>	<u>Transportation Aid</u>

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Part II – Schedule of Financial Statement Findings

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

No Current Year Findings

***Part III – Schedule of Federal Award and State Financial Assistance
Findings and Questioned Costs***

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

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

FRANKFORD TOWNSHIP BOARD OF EDUCATION
Summary Schedule of Prior Year Audit Findings and Questioned Costs as prepared by
Management
For the Fiscal Year Ended June 30, 2024

STATUS OF PRIOR-YEAR FINDINGS

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

No Prior Year Findings