FRANKLIN TOWNSHIP
SCHOOL DISTRICT

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

JUNE 30, 2025

Responsibility of the Management of
Franklin Township School District
Hunterdon County, New Jersey

BKC
Certified Public Accountants, PC

FRANKLIN TOWNSHIP
SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

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FRANKLIN TOWNSHIP SCHOOL
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October 28, 2025

Honorable President and
Members of the Board of Education
Franklin Township School District
Hunterdon County
Quakertown, NJ 08868

Dear Board Members:

State law requires that school districts publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Franklin Township School District for the fiscal year ended June 30, 2025.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the District. To the best of our knowledge and belief the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that Management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections:

- **The Introduction Section**: Introduces the reader to the report and includes this transmittal letter, a list of principal officials, the District's Organizational Chart, certificate of excellence in financial reporting, and a map of the District.

- **The Financial Section**: Consists of the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements, and combining and individual fund statements and schedules.

- **The Statistical Section**: Contains selected financial and demographic information, generally presented on a multi-year basis.

- **The Single Audit**: Includes the auditors' report on the internal control structure, compliance with applicable laws and regulations and findings and recommendations.

The District is required to undergo an annual single audit in conformity with the provisions of the 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 Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.* Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

Franklin Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Franklin Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels preschool through grade eighth. These include regular programs as well as programs for students with special educational needs. The District completed the 2024-2025 fiscal year with an enrollment of 294 students. The following details the changes in the average daily student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2015-2016	292.7	-0.68%
2016-2017	283.9	-3.01%
2017-2018	284.8	0.30%
2018-2019	278.2	-2.30%
2019-2020	282.0	1.35%
2020-2021	250.0	-11.34%
2021-2022	259.8	3.52%
2022-2023	276.1	6.70%
2023-2024	271.3	-1.76%
2024-2025	293.5	8.20%

ECONOMIC CONDITION AND OUTLOOK

Franklin Township (Hunterdon County)

The cost of living index is 130.5, meaning the Township is ~30% more expensive than the U.S. average and ~8.9% above the New Jersey average. Monthly living costs estimated at $8,760 for a family and $5,233 for a single person. As of June 2025, the median home sold price is $400,000, reflecting a 3.5% increase from the previous year. Sellers still dominate the market. Price growth has been particularly strong in larger homes, 3-bedroom: +20.5%; 4-bedroom: +10%; 5-bedroom: +61.1%. Most homes (~79%) sold over asking price, and the average time on market is short - 24 days. 2023 median household income: $155,766, placing the Township among the top small municipalities in the state (~198% of U.S. median). Average household income (School District area): $154,252; median: $114,943.

Most common employment sectors include education, health, & social assistance: 21.0%; retail trade: 12.8%; professional, scientific, management, administrative: 12.3%; manufacturing: 8.7%. occupational distribution reflects a skilled workforce: ~50% in management, business, science, and arts; ~25% in sales/office roles. Industry diversity score: 67.5 (suggesting a healthy, resilient economic mix). Occupational diversity: 59.9. Educational attainment: Bachelor's (including graduate degrees) covers ~46% of residents.

The Township maintains a strong agricultural presence: ~3,200 acres preserved, with major crops such as corn, soybeans, hay, and nursery stock. Growth of commercial amenities near Route 513/Pittstown Road (e.g., Walmart, Shop-Rite, TJ Maxx) provides local retail and service jobs. Rural and scenic character remains a key asset.

Niche ranks Franklin Township highly: Overall grade A, Public Schools A, Crime & Safety A+. Housing grade B. Living cost is moderate compared to the rest of NJ. Population around 3,270, with modest growth from 2010 census (~+2.3%).

Hunterdon County (Wider Region)

County median home value stands at $631,228 as of mid 2025, up 2.5% over the past year. Inventory: ~437 homes for sale; median days to pending: 20 days; ~58.7% sold over list price. Average rent: $2,752/month - significantly higher than the national average (~$2,072).

Gross Domestic Product (2021 BEA): $7.1 billion, ranking 16th among NJ counties; showing 5.3% annual growth at that time. Historically high-income county - 2010 per capita income ~$67,053. Median household income: ~$105,186 - ranking 4th in U.S. counties.

Outlook

Franklin Township Highlights - Seller’s market; rising prices, especially for larger homes; fast sales. High median income (~$156K); cost of living ~30% above U.S. average. Diverse economy: education, retail, professional services, agriculture strong ag preservation, rural charm, good schools, low crime.

Hunterdon County Highlights - Strong values (~$630K), competitive market dynamics. County income also high; elevated housing costs as well. Broad economic base with strong GDP growth (5.3% in 2021). Similar regional strengths; desirable suburban rural character.

Summary
Franklin Township remains affluent, with strong incomes, stable housing demand, and a diversified economy. Agricultural preservation balances development, while nearby retail supports employment. The broader Hunterdon County mirrors this stability - with high incomes, tight housing markets, and healthy economic performance (as of 2021 data).

Looking ahead, expect continued demand for larger homes, premium housing costs, and solid economic footing - provided macroeconomic conditions remain favorable. Continued preservation efforts and investment in infrastructure and education will support long-term economic resilience.

MAJOR INITIATIVES

The Franklin Township School District is actively executing a multi-year strategic plan aimed at transforming our educational approach. Central to this transformation are our enhanced programs for gifted and talented students and a revitalized science curriculum, designed to prepare our students for the demands of a rapidly changing world. We have also established a robust network of intervention specialists to provide targeted support for students who need it most.

Our partnership with Union Township Schools continues to evolve as we explore new avenues for collaboration that will enhance operational efficiencies and broaden student opportunities. Technology remains a cornerstone of our strategy, with the integration of advanced resources such as Chromebooks, iPads, and STEM materials, fostering innovative thinking and collaboration among students.

INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the District 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.

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. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the Financial Section.

An encumbrance 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-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the Financial Section of this report, the District continues to meet responsibility for sound financial management.

DEBT ADMINISTRATION

As a result of the successful passage of the bond referendum in December 2024 the District has $2,823,000 of bonds outstanding. The final payment has a due date of August 15, 2044.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in Notes to the Financial Statements, Note 3. 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, workers compensation and fidelity bonds. The District has joined with other qualified New Jersey districts to form the School Alliance Insurance Fund. This joint insurance fund has saved the District an annual premium and provides more control through the involvement in management of the fund.

INDEPENDENT AUDIT

State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. BKC, CPAs, PC audited the District's financial statements for fiscal year 2025. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by Management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2025 are fairly represented in conformity with GAAP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08.

ACKNOWLEDGMENTS

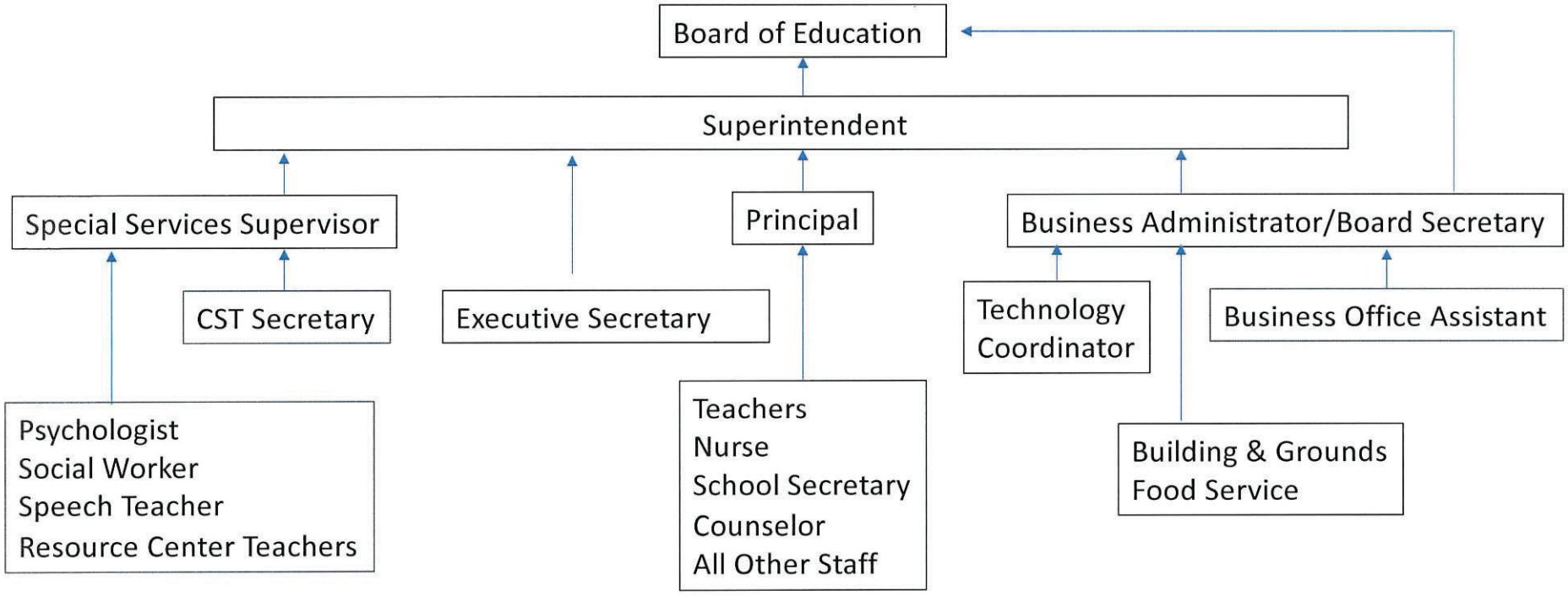
We would like to express our appreciation to the members of the Franklin Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Jennifer Aquino
Superintendent

Mark Kramer
Interim Business Administrator/
Board Secretary

Franklin Township School District
Organizational Chart



FRANKLIN TOWNSHIP SCHOOL DISTRICT
Quakertown, New Jersey
Roster of Officials
June 30, 2025

Members of the Board of Education	Title	Term Expires
Caroline Licwinko	President	2025
Allison Luciano	Vice President	2025
Shana Frondorf		2025
Colleen Cummins		2026
Craig Metz		2026
James Giordano		2027
Matt Naughton		2027

Other Officials	Title
Jennifer Aquino	Superintendent of Schools
Mark Kramer	School Business Administrator/ Board Secretary
Patricia Martucci	School Treasurer

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Quakertown, New Jersey
Consultants and Advisors
June 30, 2025

ARCHITECT
H2M Architects & Engineers
119 Cherry Hill Road, Suite 110
Parsippany, NJ 07054

ARCHITECT
Design Resources Group Architects, (DRG)
270 Davidson Avenue, #303
Somerset, NJ 08873

ATTORNEY
Busch Law Group
450 Main Street
Metuchen, NJ 08840

ATTORNEY
Schenck, Price, Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

AUDIT FIRM
BKC, CPAS, PC
39 State Route 12, Suite 2
Flemington, NJ 08822

BOND COUNSEL
Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive, Suite 900
Woodbridge, NJ 07095

FINANCIAL ADVISOR
Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, NJ 08505

OFFICIAL DEPOSITORY
Citizens Bank
8 Reading Road
Flemington, NJ 08822

INSURANCE BROKER - LIABILITY
CBIZ Insurance Services. Inc.
219 South Street
New Providence, NJ 07974

INSURANCE BROKER - HEALTH
Brown & Brown, Inc.
24 Arnett Avenue
Lambertville, NJ 08530

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Franklin Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2025, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

October 28, 2025
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

FRANKLIN TOWNSHIP SCHOOL DISTRICT
QUAKERTOWN, NEW JERSEY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The discussion and analysis of the Franklin Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, the Basic Financial Statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in Governmental Accounting Standards Board's (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysi*s, of comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, net position increased $801,368 which is a 6.74% increase from fiscal year 2024.
- General revenue accounted for $10,415,127 in revenue or 89.24% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $1,255,750 or 10.76% of the total revenue of $11,670,877.
- The School District had $10,902,863 in expenses; only $1,255,750 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily the tax levy) of $10,415,127 were adequate to provide for these programs.
- Among governmental funds, the general fund had $9,736,056 in revenues and $9,435,205 in expenditures. After factoring in other financing sources and uses of $78,625, the general fund's balance increased by $222,226 from fiscal year 2024.

Using This Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities (changes in net position) provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The Fund Financial Statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Franklin Township School District, 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 various funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the special revenue fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position on June 30, 2025 compared to June 30, 2024.

Table 1
Net Position

	06/30/25	06/30/24	Variance Dollars	Variance Percent
Assets				
Current & other assets	$ 5,599,425	$ 2,809,631	$ 2,789,794	99.29%
Capital assets	11,173,808	11,123,435	50,373	0.45%
Total assets	16,773,233	13,933,066	2,840,167	20.38%
Deferred outflow of resources	216,602	322,580	(105,978)	-32.85%
Liabilities				
Long-term liabilities	3,798,073	1,708,641	2,089,432	122.29%
Other liabilities	359,532	465,087	(105,555)	-22.70%
Total liabilities	4,157,605	2,173,728	1,983,877	91.27%
Deferred inflow of resources	140,352	191,408	(51,056)	-26.67%
Net position				
Net investment in capital assets	8,350,808	10,503,435	(2,152,627)	-20.49%
Restricted	4,730,923	1,437,285	3,293,638	229.16%
Unrestricted	(389,853)	(50,210)	(339,643)	676.44%
Total net position	$ 12,691,878	$ 11,890,510	$ 801,368	6.74%

Total assets increased $2,840,167. Cash and cash equivalents increased by $2,989,017, receivables and inventory decreased $199,223 and capital assets increased $50,373. Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School District, decreased $339,643.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2025 compared to June 30, 2024.

Table 2
Changes in Net Position

	06/30/25	06/30/24	Variance Dollars	Variance Percent
Revenues				
Program revenues				
Charges for services	$ 658,079	$ 755,509	$ (97,430)	-12.90%
Operating grants and contributions	597,671	556,135	41,536	7.47%
General revenues				
Property taxes	7,476,675	7,053,207	423,468	6.00%
Grants and entitlements	2,703,916	2,972,344	(268,428)	-9.03%
Other	234,536	96,487	138,049	143.08%
Total revenues	11,670,877	11,433,682	237,195	2.07%
Expenses				
Instruction				
Regular	3,941,270	3,881,857	59,413	1.53%
Special	1,140,131	1,314,387	(174,256)	-13.26%
Other	50,348	41,197	9,151	22.21%
Support services				
Tuition	510,054	623,903	(113,849)	-18.25%
Student & instructional related services	2,617,397	2,473,340	144,057	5.82%
General & business administration	640,048	539,946	100,102	18.54%
School administration	277,371	206,970	70,401	34.02%
Maintenance	938,689	1,028,868	(90,179)	-8.76%
Transportation	571,828	563,974	7,854	1.39%
Food service	142,508	91,700	50,808	55.41%
Interest on long-term debt	73,219	60,826	12,393	20.37%
Total expenses	10,902,863	10,826,968	75,895	0.70%
Increase (decrease) before special item	768,014	606,714	161,300	26.59%
Special items				
Capital donation	44,396	-	44,396	*
Loss on disposal of assets	(11,042)	-	(11,042)	*
Change in net position	$ 801,368	$ 606,714	$ 194,654	32.08%

* Undefined

Governmental Activities

Property taxes made up 64.82% of operating revenues for governmental activities for the Franklin Township School District for the fiscal year 2025.

Instruction comprises 47.07% of the District's expenses. Support services expenses and interest on long term debt make up 52.93% of the District's expenses.

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

Table 3 provides a summary of the School District's costs of governmental services on June 30, 2025 compared to June 30, 2024.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/25	06/30/24	06/30/25	06/30/24
Instruction	$ 5,131,749	$ 5,237,441	$ 4,277,234	$ 4,208,870
Support services				
Tuition	510,054	623,903	438,908	623,903
Student & instruction related services	2,617,397	2,473,340	2,450,751	2,327,370
General & business administration	640,048	539,946	640,048	539,946
School administration	277,371	206,970	249,788	193,759
Plant operations & maintenance	938,689	1,028,868	938,189	1,018,557
Pupil transportation	571,828	563,974	571,828	563,974
Food services	142,508	91,700	7,148	(21,881)
Interest on long-term debt	73,219	60,826	73,219	60,826
Total expenses	$ 10,902,863	$ 10,826,968	$ 9,647,113	$ 9,515,324

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

Students and instruction related services include the activities involved with assisting staff with the content and process of teaching to students.

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

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

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

General Fund Budgeting Highlights

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

During fiscal year 2025, the School District amended its general fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenues were $8,352,226, $201,191 above original budgeted estimates of $8,151,035.

Capital Assets

At the end of the fiscal year 2025, the School District had $11,173,808 invested in land, buildings, leased building improvements, furniture and equipment and construction in progress. Table 4 provides a summary of School District's capital assets net of depreciation for June 30, 2025 compared to June 30, 2024.

Table 4
Capital Assets at Year End (Net of Depreciation)

			Variance	
	06/30/25	06/30/24	Dollars	Percent
Land	$ 285,100	$ 285,100	$ -	0.00%
Construction in progress	176,502	797,241	(620,739)	-77.86%
Land improvements	106,780	87,603	19,177	21.89%
Buildings & improvements	10,278,618	9,728,140	550,478	5.66%
Furniture & equipment	326,808	225,351	101,457	45.02%
	$ 11,173,808	$ 11,123,435	$ 50,373	0.45%

Long Term Liabilities

As of June 30, 2025, the District had $3,798,073 of long-term liabilities. Table 5 shows June 30, 2025 balances compared to June 30, 2024.

Table 5
Outstanding Debt at Year End

			Variance	
	06/30/25	06/30/24	Dollars	Percent
2013 refunding bond issue	$ 2,823,000	$ 620,000	$ 2,203,000	355.32%
Bond premium	18,762	56,280	(37,518)	-66.66%
Compensated absences	16,147	23,699	(7,552)	-31.87%
PERS net pension liability	940,164	1,008,662	(68,498)	-6.79%
	$ 3,798,073	$ 1,708,641	$ 2,089,432	122.29%

For the Future

The Franklin Township School District remains in a strong and stable financial position, demonstrating a steadfast commitment to utilizing resources in ways that maximize student achievement while promoting efficiency and effectiveness. This approach aligns with our ongoing, multiyear strategic plan focused on transforming educational practices and outcomes.

As we continue to thrive as an independent district, we remain dedicated to being fiscally responsible while consistently delivering high-quality, exceptional educational experiences for all of our students.

Over the past year, the Franklin Township Board of Education has undertaken a comprehensive restructuring of its administrative team. A key component of this initiative involved eliminating the shared administrative services that previously existed between the Franklin Township School District and the Union Township School District. This change reflects the Board's commitment to ensuring that district leadership is fully dedicated to serving the students of Franklin Township.

As part of this restructuring:

- The Board consolidated the 0.8 full-time equivalent (FTE) superintendent position and the full-time principal position into a single, full-time Chief School Administrator/Principal role.
- The Board eliminated 0.5 FTE shared service positions in three areas: Supervisor of Special Services, Supervisor of Curriculum, and the Child Study Team Secretary. These roles have been replaced with:
    - A full-time Supervisor of Special Services
    - A newly created full-time position: Vice Principal/Curriculum and Academic Achievement Supervisor
    - The position of Child Study Team Secretary has been eliminated.

- The Board also eliminated the 0.5 FTE shared Supervisor of Facilities position and the Grounds position and created a full-time Supervisor of Facilities role.

These strategic decisions ensure that all district administrators are now fully focused on the needs of Franklin Township students, aligning leadership capacity with the District's educational goals and priorities.

Our focus on strategic financial management complements broader efforts outlined in our strategic plan which includes:

- Comprehensive professional development initiatives to advance our teachers' expertise in multi-modal instruction
- Commitment to a yearly technology update cycle, ensuring our 1:1 technology standard remains current for students
- Continuation of interventionist roles to provide targeted support for students, mirroring our district-wide emphasis on individualized student assistance
- Development of wellness programs and social-emotional learning supports designed to nurture the mental health of both students and staff
- The District has successfully secured substantial Preschool Education Aid funding, which will enable us to expand our free preschool offerings for eligible families and establish the foundation for increased preschool accessibility moving forward.
- Through these powerful, interconnected efforts, we're building an extraordinary learning community that turns 21st century challenges into incredible opportunities for student success!

Contacting the School District's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mark Kramer, Interim School Business Administrator/Board Secretary at Franklin Township School District, 226 Quakertown Rd., P.O. Box 368, Quakertown, NJ 08868.

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.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 276,778	$ 35,130	$ 311,908
Receivables, net	381,997	3,570	385,567
Inventory	-	4,420	4,420
Restricted assets			
Capital reserve account - cash	1,669,959	-	1,669,959
Maintenance reserve account - cash	175,000	-	175,000
Special revenue - cash	166,607	-	166,607
Scholarships - cash	30,021	-	30,021
Student activities- cash	56,939	-	56,939
Unemployment claims - cash	78,385	-	78,385
Capital projects account - cash	2,720,619	-	2,720,619
Capital assets, net			
Land	285,100	-	285,100
Construction in progress	176,502	-	176,502
Other capital assets, net of depreciation and amortization	10,644,214	67,992	10,712,206
Total assets	16,662,121	111,112	16,773,233
Deferred outflows of resources			
Deferred amount on pension activity	201,222	-	201,222
Deferred amount on refunding bond issue	15,380	-	15,380
Total deferred outflows of resources	216,602	-	216,602
Liabilities			
Accounts payable	113,075	11,290	124,365
Accrued interest	28,338	-	28,338
Payroll deductions and withholdings payable	5,160	-	5,160
Unearned revenue	199,280	2,389	201,669
Long-term liabilities			
Due within one year	101,762	-	101,762
Due beyond one year	3,696,311	-	3,696,311
Total liabilities	4,143,926	13,679	4,157,605
Deferred inflows of resources			
Deferred amount on pension liability	140,352	-	140,352

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	$ 8,282,816	$ 67,992	$ 8,350,808
Restricted for			
Capital reserve	1,669,959	-	1,669,959
Maintenance reserve	175,000	-	175,000
Scholarships	30,021	-	30,021
Student activities	56,939	-	56,939
Unemployment claims	78,385	-	78,385
Capital projects	2,720,619	-	2,720,619
Unrestricted	(419,294)	29,441	(389,853)
Total net position	$ 12,594,445	$ 97,433	$ 12,691,878

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Direct Expenses	Indirect Expenses (Benefits) Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contribution	Program Revenues: Capital Grants & Contribution	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	Net (Expense) Revenue & Changes in Net Position: Business-Type Activities	Net (Expense) Revenue & Changes in Net Position: Total
Governmental activities								
Instruction								
Regular	$ 2,527,826	$ 1,413,444	$ 536,617	$ 312,958	$ -	$ (3,091,695)	$ -	$ (3,091,695)
Special education	556,002	298,268	-	2,261	-	(852,009)	-	(852,009)
Other special education	181,547	104,314	-	2,679	-	(283,182)	-	(283,182)
Other instruction	46,786	3,562	-	-	-	(50,348)	-	(50,348)
Support services								
Tuition	510,054	-	-	71,146	-	(438,908)	-	(438,908)
Students & instruction related services	2,170,105	447,292	38,195	128,451	-	(2,450,751)	-	(2,450,751)
General & business administration services	559,291	80,757	-	-	-	(640,048)	-	(640,048)
School administration services	191,099	86,272	-	27,583	-	(249,788)	-	(249,788)
Plant operations & maintenance	909,710	28,979	-	500	-	(938,189)	-	(938,189)
Pupil transportation	575,607	(3,779)	-	-	-	(571,828)	-	(571,828)
Interest on long-term debt	73,219	-	-	-	-	(73,219)	-	(73,219)
Total governmental activities	8,301,246	2,459,109	574,812	545,578	-	(9,639,965)	-	(9,639,965)
Business-type activities								
Food service	142,508	-	83,267	52,093	-	-	(7,148)	(7,148)
Total business-type activities	142,508	-	83,267	52,093	-	-	(7,148)	(7,148)
Total primary government	$ 8,443,754	$ 2,459,109	$ 658,079	$ 597,671	$ -	(9,639,965)	(7,148)	(9,647,113)
General revenues, special items and transfers								
Property taxes levied for general purposes						6,831,875	-	6,831,875
Property taxes levied for debt service						644,800	-	644,800
Federal and state aid not restricted						2,703,916	-	2,703,916
Investment earnings						146,952	493	147,445
Capital donation						44,396	-	44,396
Loss on disposal of assets						(11,042)	-	(11,042)
Miscellaneous income						87,091	-	87,091
Total general revenues and special items						10,447,988	493	10,448,481
Change in net position						808,023	(6,655)	801,368
Net position - beginning						11,786,422	104,088	11,890,510
Net position - ending						$ 12,594,445	$ 97,433	$ 12,691,878

See accompanying notes to the financial statements.

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.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 276,778	$ -	$ -	$ -	$ 276,778
Receivables from other governments					
State	299,680	-	-	-	299,680
Federal	-	14,584	-	-	14,584
Other accounts receivable	64,994	2,739	-	-	67,733
Restricted cash and cash equivalents	1,923,344	253,567	2,720,619	-	4,897,530
Total assets	$ 2,564,796	$ 270,890	$ 2,720,619	$ -	$ 5,556,305
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 89,112	$ 23,963	$ -	$ -	$ 113,075
Payroll deductions and withholdings payable	5,160	-	-	-	5,160
Unearned revenue	-	199,280	-	-	199,280
Total liabilities	94,272	223,243	-	-	317,515

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2025

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Capital reserve	$ 1,669,959	$ -	$ -	$ -	$ 1,669,959
Maintenance reserve	175,000	-	-	-	175,000
Scholarships	-	30,021	-	-	30,021
Student activities	-	56,939	-	-	56,939
Unemployment claims	78,385	-	-	-	78,385
Capital projects	-	-	2,720,619	-	2,720,619
Committed fund balance					
Encumbrances	35,340	-	-	-	35,340
Assigned fund balance					
Designated for subsequent year's expenditures	300,000	-	-	-	300,000
Unassigned fund balance	211,840	(39,313)	-	-	172,527
Total fund balances	2,470,524	47,647	2,720,619	-	5,238,790
Total liabilities and fund balances	$ 2,564,796	$ 270,890	$ 2,720,619	$ -	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:					
Capital assets used in government activities are not financial resources and therefore are not reported in the funds.					11,105,816
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.					76,250
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(3,798,073)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.					(28,338)
Total net position of governmental activities					$12,594,445

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	$ 6,831,875	$ -	$ -	$ 644,800	$ 7,476,675
Tuition from other LEAs	536,617	-	-	-	536,617
Interest on investments	103,428	-	43,524	-	146,952
Miscellaneous	87,091	55,398	-	-	142,489
Total local sources	7,559,011	55,398	43,524	644,800	8,302,733
State sources	2,177,045	393,070	-	-	2,570,115
Federal sources	-	135,305	-	-	135,305
Total revenues	9,736,056	583,773	43,524	644,800	11,008,153
Expenditures					
Current					
Instructional					
Regular instruction	2,229,780	298,046	-	-	2,527,826
Special education instruction	553,741	2,261	-	-	556,002
Other special instruction	178,868	2,679	-	-	181,547
Other instruction	46,786	-	-	-	46,786
Support service & undistributed costs					
Tuition	438,908	71,146	-	-	510,054
Student & instruction related services	2,028,712	141,393	-	-	2,170,105
General & business administrative services	559,291	-	-	-	559,291
School administrative services	165,121	25,978	-	-	191,099
Plant operations & maintenance	909,210	500	-	-	909,710
Pupil transportation	575,607	-	-	-	575,607
Unallocated benefits	1,409,687	96,613	-	-	1,506,300

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	$ 303,358	$ 12,825	$ 145,905	$ -	$ 462,088
Debt service					
Principal	-	-	-	620,000	620,000
Interest & other charges	36,136	-	-	24,800	60,936
Total expenditures	9,435,205	651,441	145,905	644,800	10,877,351
Excess (deficiency) of revenues over (under) expenditures	300,851	(67,668)	(102,381)	-	130,802
Other financing sources (uses)					
Bond proceeds	-	-	2,823,000	-	2,823,000
Transfers in (out)	(78,625)	78,625	-	-	-
Total other financing sources (uses)	(78,625)	78,625	2,823,000	-	2,823,000
Net change in fund balance	222,226	10,957	2,720,619	-	2,953,802
Fund balances, July 1	2,248,298	36,690	-	-	2,284,988
Fund balances, June 30	$ 2,470,524	$ 47,647	$ 2,720,619	$ -	$ 5,238,790

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Total net changes in fund balances - governmental fund (from B-2)		$ 2,953,802
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital outlays	$ 462,088	
Capital donations	44,396	
Depreciation and amortization expense	(477,829)	
Loss on disposal of assets	(11,042)	
		17,613
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:		
Debt principal payments		620,000
Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:		
Amortization of bond premium		37,518
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		44,339
In the Statement of Activities, interest on the deferred outflow from a refunding issue is amortized to interest expense over the remaining life of the old or new debt, whichever is shorter.		(30,763)

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2025

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 reconciling item.	$	(19,038)
Proceeds from debt issues are financing sources in the government funds. They are not revenue in the Statements of Activities. The issuance of debt increase long-term liabilities in the Statement of Net Position:		
Proceeds of bond sale		(2,823,000)
In the Statement of Activities, compensated absences and early retirement benefits 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.		7,552
Change in net position of governmental activities	$	808,023

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2025

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	$ 35,130
Receivables from other governments	
State	303
Federal	3,267
Inventory	4,420
Total current assets	43,120
Noncurrent assets	
Capital assets	90,355
Less: accumulated depreciation	22,363
Total noncurrent assets	67,992
Total assets	111,112
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,131
Unearned revenues - prepaid sales	1,258
Accounts payable	11,290
Total liabilities	13,679
Net position	
Net investment in capital assets	67,992
Unrestricted	29,441
Total net position	$ 97,433

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	$ 55,015
Daily sales - non-reimbursable programs	28,252
Total operating revenues	83,267
Operating expenses	
Cost of sales - reimbursable programs	41,413
Cost of sales - non-reimbursable programs	21,862
Commodity food costs	9,509
Salaries	32,436
Support services - employee benefits	4,716
Purchased professional/technical services	1,853
Purchased property services	5,890
Other purchased services	
Insurance	5,969
Management fee	9,135
Supplies and materials	4,446
Depreciation	5,279
Total operating expenses	142,508
Operating income (loss)	(59,241)
Non-operating revenues (expenses)	
State sources	
State school lunch program	3,044
Federal sources	
National school lunch program	
Cash assistance	9,391
National school lunch program	
Cash assistance	29,505
Non-cash assistance (commodities)	9,510
P-EBT administrative	643
Other sources	
Interest earned on investments	493
Total non-operating revenues (expenses)	52,586
Net position, beginning	104,088
Net position, ending	$ 97,433

See accompanying notes to the financial statements.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	$ 82,728
Payments to Food Service Management Company	(104,082)
Payments to vendors and employees (net)	(9,557)
Net cash provided by (used for) operating activities	(30,911)
Cash flows from non-capital financing activities	
State sources	2,849
Federal sources	37,026
Net cash provided by (used for) non-capital financing activities	39,875
Cash flows from capital financing activities	
Acquisition of equipment	(38,039)
Cash flows from investing activities	
Interest earned on investments	493
Net increase (decrease) in cash and cash equivalents	(28,582)
Cash and cash equivalents, beginning	63,712
Cash and cash equivalents, ending	$ 35,130
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	$ (59,241)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	5,279
Federal food donation program	9,510
(Increase) decrease in accounts payable	11,290
(Increase) decrease in inventory	4,287
Increase (decrease) in unearned revenue	(2,036)
Net cash provided by (used for) operating activities	$ (30,911)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies

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

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic Financial Statements prepared using accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2025 of 294 students.

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

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

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

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition 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. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

The District reports the following major governmental funds:

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

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

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

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

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

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

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

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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:

Equipment	12 years

Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the Balance Sheet as 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.

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2024-2025 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB No. 101, *Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

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

- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.

- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When expenditure is incurred for purposes in which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

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

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial Statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amount on pension activity and deferred amount on refunding bond issue. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2025, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

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

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

Note 3 - Deposits, cash equivalents, and investments (continued)

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first $250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2025, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	$	250,000
Insured by GUDPA		5,182,484
Total bank balances	$	5,432,484

Deposits at June 30, 2025 appear in the financial statements as summarized below:

	Ref.		
Unrestricted cash			
Governmental funds, Balance Sheet	B-1	$	276,778
Enterprise funds, Statement of Net Position	B-4		35,130
Restricted cash			
Governmental funds, Balance Sheet	B-1		4,897,530
Total cash		$	5,209,438

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 285,100	$ -	$ -	$ 285,100
Construction in progress	797,241	145,905	766,644	176,502
Total	1,082,341	145,905	766,644	461,602
Capital assets, being depreciated				
Land improvements	277,466	28,896	-	306,362
Building & improvements	16,007,649	996,274	20,116	16,983,807
Leased building improvements (intangible asset)	1,200,000	-	-	1,200,000
Furniture & equipment	590,748	102,053	-	692,801
Vehicles	50,054	-	50,054	-
Total	18,125,917	1,127,223	70,170	19,182,970
Accumulated depreciation and accumulated amortization				
Land improvements	189,863	9,719	-	199,582
Building & improvements	6,279,509	434,754	9,074	6,705,189
Leased building improvements	1,200,000	-	-	1,200,000
Furniture & equipment	400,629	33,356	-	433,985
Vehicles	50,054	-	50,054	-
Total	8,120,055	477,829	59,128	8,538,756
Total capital assets, being depreciated, net	10,005,862	649,394	11,042	10,644,214
Transfers	-	(766,644)	(766,644)	-
Governmental activities capital assets, net	$ 11,088,203	$ 28,655	$ 11,042	$ 11,105,816

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	$ 52,316	$ 38,039	$ -	$ 90,355
Less: accumulated depreciation	17,084	5,279	-	22,363
Business type activities capital assets, net	$ 35,232	$ 32,760	$ -	$ 67,992

Note 4 - Capital assets (continued)

Depreciation and amortization expense were charged to governmental functions in the current year as follows:

Instruction		
Regular	$	192,467
Special education		42,334
Other special education		13,823
Other instruction		3,562
Support services		
Student & instruction		167,208
General & business administration		42,584
School administration		12,572
Plant maintenance		3,279
Total depreciation and amortization expense, governmental activities	$	477,829

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	$ 620,000	$ 2,823,000	$ 620,000	$ 2,823,000	$ 83,000
Bond premium	56,280	-	37,518	18,762	18,762
Compensated absences payable	23,699	-	7,552	16,147	-
PERS net pension liability	1,008,662	-	68,498	940,164	-
Total governmental activities long-term liabilities	$ 1,708,641	$ 2,823,000	$ 733,568	$ 3,798,073	$ 101,762

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2025, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 83,000	$ 101,600	$ 184,600
2027	105,000	89,325	194,325
2028	110,000	88,250	198,250
2029	115,000	87,125	202,125
2030	120,000	85,950	205,950
2031-2035	670,000	386,275	1,056,275
2036-2040	795,000	246,100	1,041,100
2041-2045	825,000	82,500	907,500
Total	$ 2,823,000	$ 1,167,125	$ 3,990,125

General Obligation Bonds - General obligation school building bonds payable at June 30, 2025, with their outstanding balances are comprised of the following individual issues:

$2,823,000 - 2024 general obligation school building bonds, interest at 1.00% to 4.00% due in annual installments beginning August 15, 2025 through August 15, 2044.	$ 2,823,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2025 is $17,946,802. General obligation debt at June 30, 2025 is $2,823,000, resulting in a legal debt margin of $15,123,802.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

Note 6 - Pension plans (continued)

A. Public Employees' Retirement Systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Note 6 - Pension plans (continued)

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

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 (benefit). The employer and non-employer allocation percentages presented in the Schedule of Employer and Non-employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Non-employer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2023 through June 30, 2024. Employer and non-employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Non-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 actuarial 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 (benefit) excluding that attributable to employer-paid member contributions 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 in the Schedule of Employer and Non-employer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Non-employer. The allocation percentages for each group as of June 30, 2024 measurement date 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 measurement date.

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 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 state fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Note 6 - Pension plans (continued)

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

Contributions (continued)

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

The District's contractually required contribution rate for the year ended June 30, 2025 was 10.30% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Special funding situation

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

During the fiscal year ended June 30, 2024, the State of New Jersey contributed $3,031 to the PERS for normal pension benefits on behalf of the District.

Note 6 - Pension plans (continued)

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2024:

Net pension liability	$ 940,164
Proportionate share	0.0069190552%
Plan fiduciary net position as a percentage of the total pension liability	68.22%

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 6.55%
Investment rate of return	7.00%

Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Note 6 - Pension plans (continued)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 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 projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Note 6 - Pension plans (continued)

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

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability	
At current discount rate (7.00%)	$ 940,164
At a 1% lower rate (6.00%)	1,259,763
At a 1% higher rate (8.00%)	682,836

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2024 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,833	$ 2,503
Changes of assumptions	1,168	10,697
Net difference between projected and actual earnings on pension plan investments	-	43,593
Changes in proportion and differences between District contributions and proportionate share of contributions	87,072	83,559
District contributions subsequent to the measurement date	94,149	-
Total	$ 201,222	$ 140,352

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2025, the Plan measurement date is June 30, 2024) of $94,149 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Note 6 - Pension plans (continued)

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

Collective deferred outflows of resources and deferred inflows of resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2024 measurement date:

	Beginning Balance	Net change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	$ 9,644	$ 9,189	$ 18,833
Changes of assumptions	2,216	(1,048)	1,168
Differences between expected and actual experience	4,645	(4,645)	-
Deferred inflows of resources			
Differences between expected and actual experience	(4,123)	1,620	(2,503)
Changes of assumptions	(61,129)	50,432	(10,697)
Differences between projected and actual investment earnings on pension plan investments	-	(43,593)	(43,593)
Net changes	$ (48,747)	$ 11,955	$ (36,792)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefits) as follows:

Fiscal year ended June 30,	
2025	$ (39,918)
2026	30,887
2027	(17,770)
2028	(10,258)
2029	267
Total	$ (36,792)

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 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Note 6 - Pension plans (continued)

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

Pension expense (benefit)

For the fiscal year ended June 30, 2025, the District recognized net pension expense (benefit) of $49,810 which represents the District's proportionate share of allocable plan pension expense (benefit) of $20,489 plus the net amortization of deferred amounts from changes in proportion of $30,397 and plus other adjustments to the net pension liability of ($1,076). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2024 measurement date are as follows:

Service cost	$	45,443
Interest on total pension liability		169,741
Benefit changes		-
Member contributions		(37,217)
Administrative expense		1,314
Other- Chapter 19 adjustment		(1,368)
Expected investment return net of investment expense		(102,536)
Pension expense related to specific liabilities of individual employers		(1,308)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		5,171
Changes of assumptions		(41,484)
Difference between projected and actual investment earnings on pension plan investments		(17,267)
Pension expense (benefit)	$	20,489

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

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

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

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2024, the State's pension contribution was more 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 non-employer 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 of resources or deferred inflows of resources to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2024, the State of New Jersey contributed $952,423 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2024 measurement date is as follows:

District proportionate share of net pension liability	$	17,561,935
Less: State proportionate share of net pension liability		6,671,140
Net pension liability	$	10,890,795
Proportionate share		0.0220349447%
Plan fiduciary net position as a percentage of the total pension liability		37.99%

Actuarial assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 5.65%
Investment rate of return	7.00%

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

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 all projected benefit payments after that date in determining the total pension liability.

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2024 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's Proportionate Share of the Net Pension Liability		
At current discount rate (7.00%)	$	10,890,795
At a 1% lower rate (6.00%)		12,945,252
At a 1% higher rate (8.00%)		9,160,554

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude pension expense (benefit) related to specific liabilities of individual employers, for the District for the year ended June 30, 2024 measurement date are as follows:

Service cost	$	307,003
Interest on total pension liability		1,188,907
Benefit changes		-
Member contributions		(213,035)
Administrative expense		5,281
Expected investment return net of investment expense		(413,744)
Pension expense related to specific liabilities of individual employers		(115)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		35,869
Changes of assumptions		(918,899)
Difference between projected and actual investment earnings on pension plan investments		(30,995)
Pension expense (benefit)	$	(39,728)

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary ($9,300 in 2025) but who earn salary of at least $5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's net contribution to the DCRP for fiscal year ended June 30, 2025 was $2,880.

D. Other pension plan information

During the fiscal year ended June 30, 2025, the State of New Jersey contributed $272,130 to the TPAF for postretirement medical benefits, $11,395 for non-contributory insurance premiums, $690 for long-term disability insurance, and $919,915 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $172,524 during the fiscal year ended June 30, 2025 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in Paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 state and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of state employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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 State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2024 total OPEB liability of $59,650,630,530 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at https://www.state.nj.us/treasury/taxation/payments-notices.shtml.

Total OPEB liability

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

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2024 measurement date is as follows:

State's proportionate share of the OPEB liability	$	59,650,630,530
District's proportionate share of the State's OPEB liability		13,699,784
Employer OPEB expense and related revenue		563,571
Allocable proportionate percentage		0.0229667044%

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2023	$ 11,270,018
Service cost	448,820
Interest cost	450,964
Change of benefit terms	-
Differences between expected and actual experiences	837,672
Changes of assumptions	1,024,926
Member contributions	11,793
Gross benefit payments	(344,409)
Total OPEB liability at June 30, 2024	$ 13,699,784

There were no changes of the benefit terms from June 30, 2023 to June 30, 2024.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% as of the June 30, 2023 plan measurement date to 3.93% as of the June 30, 2024 plan measurement date.

The total non-employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. 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:

	TPAF	PERS
Salary increases	(based on years of service) 2.75% - 5.65%	(based on years of service) 2.75% - 6.55%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

100% of active members are considered to participate in the Plan upon retirement.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability as of June 30, 2024 measurement date, calculated using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)		
At current discount rate (3.93%)	$	13,699,784
At a 1% lower rate (2.93%)		16,045,381
At a 1% higher rate (4.93%)		11,813,437

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)		
Healthcare cost trend rate	$	13,699,784
At a 1% lower rate (1% decrease)		11,412,020
At a 1% higher rate (1% increase)		16,679,748

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $563,571 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Siracusa Benefits
Variable Annuity Life Insurance Co.
AXA Equitable
Lincoln Investment Planning

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2025 consisted of the following:

Food	$	2,464
Supplies		1,956
Total	$	4,420

Note 10 - Contingent liabilities

Amounts received, or receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in 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.

Note 11 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	Board Contributions (Withdrawals)	Interest Earnings	Employee Contributions	Amount Reimbursed	Ending Balance Available For Claims
2024 - 2025	$ -	$ 1,028	$ 9,116	$ 56,800	$ 78,385
2023 - 2024	(200,000)	2,469	8,552	401	125,041
2022 - 2023	-	2,260	7,522	10,571	314,421

Note 12 - Reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved The Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

Note 12 - Reserve accounts (continued)

The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	$ 1,162,812	$ 1,010,166	$ 20,914	$ -	$ 523,933	$ 1,669,959
Maintenance	82,807	100,000	-	-	7,807	175,000
Total	$ 1,245,619	$ 1,110,166	$ 20,914	$ -	$ 531,740	$ 1,884,959

Note 13 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2025 is as follows:

Restricted		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	$	1,669,959
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).		175,000
Unemployment compensation - Represents funds accumulated for future unemployment claims.		78,385
Committed		
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.		35,340
Assigned		
Designated surplus - Designated for Subsequent Year's Expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.		300,000
Unassigned		
Undesignated - Represents fund balance which has not been restricted or designated.		254,913
Total fund balance - Budgetary basis (Exhibit C-1)		2,513,597
Last state aid payments not recognized on GAAP basis		(43,073)
Total fund balance - GAAP basis (B-1)	$	2,470,524

Note 14 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is $0.

Note 15 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2025 of ($419,294) for the general fund on Schedule A-1, Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 16 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of ($39,313) in the special revenue fund as of June 30, 2025 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the last state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Note 17 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 18 - Subsequent events

The District has evaluated subsequent events through October 28, 2025, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Local tax levy	$ 6,831,875	$ -	$ 6,831,875	$ 6,831,875	$ -
Tuition from other LEAs within the state	500,000	-	500,000	536,617	36,617
Unrestricted miscellaneous revenues	39,200	-	39,200	168,577	129,377
Interest earned on capital reserve funds	1,000	-	1,000	20,914	19,914
Other restricted miscellaneous revenues	-	-	-	1,028	1,028
Total	7,372,075	-	7,372,075	7,559,011	186,936
State sources					
Categorical transportation aid	140,804	-	140,804	140,804	-
Extraordinary aid	300,000	-	300,000	275,656	(24,344)
Categorical special education aid	308,724	-	308,724	308,724	-
Categorical security aid	27,375	-	27,375	27,375	-
Adjustment aid	2,057	-	2,057	2,057	-
State reimbursements for menstrual products	-	-	-	1,886	1,886
Other state aid	-	-	-	4,913	4,913
Stabilization Aid	-	-	-	31,800	31,800
TPAF Pension (on-behalf)	-	-	-	919,915	919,915
TPAF Non-contributory insurance	-	-	-	11,395	11,395
TPAF Social Security (reimbursed)	-	-	-	172,524	172,524
TPAF Postretirement benefits	-	-	-	272,130	272,130
TPAF Long-term disability insurance	-	-	-	690	690
Total	778,960	-	778,960	2,169,869	1,390,909
Total revenues	$ 8,151,035	$ -	$ 8,151,035	$ 9,728,880	$ 1,577,845

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	$ 176,270	$ (2,623)	$ 173,647	$ 173,647	$ -
Grades 1-5	828,516	(47,288)	781,228	781,228	-
Grades 6-8	574,073	(73,529)	500,544	500,544	-
Home instruction					
Salaries of teacher	1,500	1,309	2,809	2,809	-
Other purchased services	125	(122)	3	3	-
Regular programs - undistributed instruction					
Other salaries for instruction	-	32,801	32,801	29,543	3,258
Purchased professional - educational services	28,535	86,201	114,736	102,533	12,203
Purchased technical services	56,756	3,018	59,774	55,374	4,400
Other purchased services	19,270	(3,890)	15,380	15,380	-
General supplies	123,084	(15,151)	107,933	83,274	24,659
Textbooks	74,841	(24,681)	50,160	50,160	-
Total	1,882,970	(43,955)	1,839,015	1,794,495	44,520
Special education					
Multiple disabilities					
Salaries of teachers	82,839	(3,716)	79,123	75,602	3,521
Purchased professional-educational services	4,300	41	4,341	4,341	-
Other purchased services	645	-	645	280	365
General supplies	14,943	(6,068)	8,875	5,495	3,380
Total	102,727	(9,743)	92,984	85,718	7,266
Resource room/resource center					
Salaries of teachers	324,617	17,197	341,814	340,746	1,068
Purchased technical services	2,225	-	2,225	802	1,423
General supplies	2,924	-	2,924	1,800	1,124
Total	329,766	17,197	346,963	343,348	3,615
Preschool disabilities - full-time					
Purchased professional - educational services	45,000	(45,000)	-	-	-
Total	45,000	(45,000)	-	-	-
Total special education	477,493	(37,546)	439,947	429,066	10,881
Basic skills/remedial					
Salaries of teachers	179,372	314	179,686	178,306	1,380
General supplies	600	-	600	562	38
Total	179,972	314	180,286	178,868	1,418
School-sponsored co/extra curricular activities - instruction					
Salaries	11,517	-	11,517	11,517	-
Purchased services	-	812	812	812	-
Supplies and materials	2,000	(312)	1,688	100	1,588
Other objects	500	(500)	-	-	-
Total	14,017	-	14,017	12,429	1,588

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
School-sponsored athletics - instruction					
Salaries	$ 24,331	$ (565)	$ 23,766	$ 20,472	$ 3,294
Purchased services	9,470	1,985	11,455	7,292	4,163
Supplies and materials	3,793	(920)	2,873	2,873	-
Other objects	500	(500)	-	-	-
Total	38,094	-	38,094	30,637	7,457
Summer school - instruction					
Salaries of teachers	-	3,720	3,720	3,720	-
Total	-	3,720	3,720	3,720	-
Total summer school	-	3,720	3,720	3,720	-
Total instruction regular	$ 2,592,546	$ (77,467)	$ 2,515,079	$ 2,449,215	$ 65,864
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	$ -	$ 143,052	$ 143,052	$ 141,614	$ 1,438
Tuition to priv. school for the disabled w/i state	503,594	(163,510)	340,084	297,294	42,790
Total	503,594	(20,458)	483,136	438,908	44,228
Undistributed expenditures - attendance & social work					
Salaries	26,772	12	26,784	26,604	180
Supplies and materials	1,500	(12)	1,488	698	790
Total	28,272	-	28,272	27,302	970
Undistributed expenditures - health services					
Salaries	86,280	1,920	88,200	79,552	8,648
Purchased professional and technical services	3,300	-	3,300	1,830	1,470
Other purchased services	1,830	-	1,830	50	1,780
Supplies and materials	7,800	(1,920)	5,880	2,998	2,882
Supplies - menstrual products	-	1,886	1,886	1,886	-
Total	99,210	1,886	101,096	86,316	14,780
Undistributed expenditures - speech, ot, pt & related services					
Salaries	131,226	26,317	157,543	118,896	38,647
Purchased professional - educational services	125,722	5,110	130,832	108,027	22,805
Supplies and materials	500	500	1,000	500	500
Other objects	1,375	(500)	875	-	875
Total	258,823	31,427	290,250	227,423	62,827
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	420,286	(17,091)	403,195	387,059	16,136
Purchased professional - educational services	364,200	(52,340)	311,860	154,672	157,188
Other objects	5,800	-	5,800	129	5,671
Total	790,286	(69,431)	720,855	541,860	178,995
Undistributed expenditures - guidance					
Salaries of other professional staff	62,762	-	62,762	62,195	567
Purchased professional - educational services	-	70,710	70,710	23,648	47,062
Other purchased services	1,675	-	1,675	1,050	625
Supplies and materials	350	-	350	350	-
Total	64,787	70,710	135,497	87,243	48,254

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - child study teams					
Salaries of other professional staff	$ 67,066	$ 6,757	$ 73,823	$ 69,658	$ 4,165
Salaries of secretarial and clerical assistants	44,914	-	44,914	43,920	994
Purchased professional - educational services	322,355	61,598	383,953	286,576	97,377
Other purchased professional & technical services	8,110	1,909	10,019	10,019	-
Other purchased services	1,550	-	1,550	570	980
Supplies and materials	6,020	-	6,020	3,552	2,468
Total	450,015	70,264	520,279	414,295	105,984
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	27,393	71,401	98,794	88,295	10,499
Salaries of secretarial & clerical assist	36,022	(11,755)	24,267	17,864	6,403
Purchased professional - educational services	72,750	(36,026)	36,724	36,724	-
Other purchased professional & technical services	16,384	(1,988)	14,396	14,396	-
Other purchased services	-	450	450	250	200
Other objects	1,000	(1,000)	-	-	-
Total	153,549	21,082	174,631	157,529	17,102
Undistributed expenditures - edu. media service/sch. library					
Salaries of technology coordinators	93,345	-	93,345	91,317	2,028
Purchased professional and technical services	57,982	4,655	62,637	59,645	2,992
Supplies and materials	10,650	(4,655)	5,995	-	5,995
Total	161,977	-	161,977	150,962	11,015
Undistributed expenditures - instructional staff training services					
Salaries of supervisor of instruction	480	-	480	-	480
Salaries of other professional staff	480	-	480	165	315
Purchased professional - educational services	1,500	-	1,500	-	1,500
Other purchased services	12,679	(5,828)	6,851	3,144	3,707
Supplies and materials	750	-	750	342	408
Total	15,889	(5,828)	10,061	3,651	6,410
Undistributed expend. - support service - general admin.					
Salaries	35,978	110,535	146,513	123,959	22,554
Salaries - governance staff (BOE direct reports only)	4,500	(4,500)	-	-	-
Legal services	16,000	40,382	56,382	44,570	11,812
Audit fees	21,000	500	21,500	21,000	500
Other purchased professional services	137,250	(68,783)	68,467	62,915	5,552
Communications/telephone	3,630	2,583	6,213	2,646	3,567
BOE other purchased services	4,600	(4,301)	299	299	-
Miscellaneous purchased services	26,596	(975)	25,621	25,621	-
General supplies	2,100	(1,317)	783	783	-
BOE in-house training/meeting supplies	400	(64)	336	336	-
Miscellaneous expenditures	800	-	800	800	-
BOE membership dues and fees	4,155	(321)	3,834	3,834	-
Total	257,009	73,739	330,748	286,763	43,985

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	$ 106,303	$ 24,172	$ 130,475	$ 125,488	$ 4,987
Salaries of secretarial and clerical assistants	18,248	(5,702)	12,546	11,006	1,540
Purchased professional and technical services	4,600	25	4,625	4,625	-
Supplies and materials	735	(149)	586	586	-
Other objects	6,825	(3,633)	3,192	3,076	116
Total	136,711	14,713	151,424	144,781	6,643
Undistributed expenditures - central services					
Salaries	179,700	(4,630)	175,070	163,550	11,520
Purchased professional services	6,310	22,629	28,939	28,431	508
Miscellaneous purchased services	2,950	1,423	4,373	3,546	827
Supplies and materials	1,250	(117)	1,133	1,133	-
Other objects	625	(305)	320	320	-
Total	190,835	19,000	209,835	196,980	12,855
Undistributed expend. - required maint. for school facilities					
Salaries	97,400	(6,262)	91,138	91,138	-
Cleaning, repair, and maintenance services	150,432	(25,181)	125,251	89,011	36,240
Lead testing in water	2,046	-	2,046	1,905	141
General supplies	11,500	-	11,500	3,756	7,744
Other objects	1,500	-	1,500	150	1,350
Total	262,878	(31,443)	231,435	185,960	45,475
Undistributed expenditures - custodial services					
Salaries	200,216	(22,271)	177,945	160,571	17,374
Cleaning, repair, and maintenance service	24,900	-	24,900	16,926	7,974
Rental of land & bldg. other than lease purch agreement	-	1,000	1,000	-	1,000
Insurance	92,524	(7,061)	85,463	84,449	1,014
General supplies	31,821	-	31,821	28,898	2,923
Energy (natural gas)	3,500	1,000	4,500	4,272	228
Energy (electricity)	133,000	(1,000)	132,000	91,953	40,047
Energy (oil)	120,050	-	120,050	72,894	47,156
Other objects	620	-	620	600	20
Total	606,631	(28,332)	578,299	460,563	117,736
Undistributed expenditures - care and upkeep of grounds					
Salaries	17,670	-	17,670	2,451	15,219
Cleaning, repair, and maintenance service	32,331	-	32,331	28,782	3,549
General supplies	1,000	-	1,000	-	1,000
Total	51,001	-	51,001	31,233	19,768
Undistributed expenditures - security					
Purchased professional and technical services	60,000	-	60,000	57,000	3,000
Cleaning, repair, and maintenance service	3,150	-	3,150	1,115	2,035
General supplies	13,750	-	13,750	10,789	2,961
Total	76,900	-	76,900	68,904	7,996

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Undistributed expenditures - student transportation service					
Salaries for pupil trans. (between home & school) - sp. ed.	$ 31,539	$ (27,376)	$ 4,163	$ 4,163	$ -
Management fee - ESC & CTSA trans. program	11,000	6,500	17,500	14,246	3,254
Other purchased professional and technical service	10,000	(322)	9,678	9,678	-
Cleaning, repair, & maint. services	3,000	(2,644)	356	356	-
Contract serv. - aid in lieu pymts - non-public schools	13,200	3,350	16,550	16,478	72
Contract serv. - aid in lieu pymts - choice school students	3,600	(2,423)	1,177	1,177	-
Contract serv. (oth. than between home & school) - vend.	4,000	16,880	20,880	13,263	7,617
Contract serv. (reg. students) - ESCs & CTSAs	236,500	(2,000)	234,500	227,191	7,309
Contract serv. (spl. ed. students) - ESCs & CTSAs	227,350	94,255	321,605	283,514	38,091
Transportation supplies	4,200	(3,191)	1,009	1,009	-
Total	544,389	83,029	627,418	571,075	56,343
Allocated benefits - employee benefits					
Regular programs - instruction					
Group insurance	1,100	4,963	6,063	2,759	3,304
Social Security contributions	11,475	14,387	25,862	25,648	214
Workmen's compensation	13,204	2,000	15,204	15,204	-
Health benefits	419,575	(28,285)	391,290	372,054	19,236
Tuition reimbursement	20,000	(15,276)	4,724	-	4,724
Other employee benefits	16,725	3,225	19,950	19,620	330
Unused sick payment to terminated/retired staff	30,000	(3,442)	26,558	-	26,558
Total	512,079	(22,428)	489,651	435,285	54,366
Special programs - instruction					
Group insurance	500	40	540	379	161
Social Security contributions	4,975	-	4,975	4,950	25
Other retirement contributions - regular	1,440	87	1,527	1,527	-
Workmen's compensation	5,269	685	5,954	5,954	-
Health benefits	104,795	-	104,795	104,795	-
Other employee benefits	8,500	-	8,500	7,070	1,430
Total	125,479	812	126,291	124,675	1,616
Attendance and social work services					
Group insurance	100	-	100	100	-
Social Security contributions	1,685	-	1,685	1,010	675
Other retirement contributions - PERS	7,910	-	7,910	6,332	1,578
Workmen's compensation	356	-	356	356	-
Health benefits	20,032	-	20,032	20,032	-
Tuition reimbursement	800	-	800	-	800
Total	30,883	-	30,883	27,830	3,053
Health services					
Social Security contributions	500	-	500	477	23
Workmen's compensation	594	-	594	594	-
Other employee benefits	3,000	-	3,000	-	3,000
Total	4,094	-	4,094	1,071	3,023

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Other supp services - speech/ot/pt& related sv					
Group insurance	$ 100	$ -	$ 100	$ 100	$ -
Workmen's compensation	1,188	-	1,188	-	1,188
Health benefits	14,330	-	14,330	14,330	-
Other employee benefits	4,500	-	4,500	220	4,280
Total	20,118	-	20,118	14,650	5,468
Other supp services- students - extraordinary					
Group insurance	600	-	600	600	-
Social Security contributions	36,265	19,000	55,265	54,617	648
Other retirement contributions - PERS	81,370	-	81,370	-	81,370
Workmen's compensation	6,534	1,000	7,534	7,534	-
Health benefits	76,985	-	76,985	76,985	-
Other employee benefits	9,000	(270)	8,730	8,730	-
Total	210,754	19,730	230,484	148,466	82,018
Other supp services - guidance					
Group insurance	100	-	100	100	-
Workmen's compensation	594	-	594	594	-
Health benefits	14,435	-	14,435	14,435	-
Total	15,129	-	15,129	15,129	-
Other supp services - child study teams					
Group insurance	100	-	100	100	-
Social Security contributions	3,550	-	3,550	3,519	31
Other retirement contributions - PERS	8,110	-	8,110	8,110	-
Workmen's compensation	1,188	-	1,188	-	1,188
Health benefits	32,615	-	32,615	32,615	-
Tuition reimbursement	800	-	800	-	800
Other employee benefits	3,000	-	3,000	-	3,000
Total	49,363	-	49,363	44,344	5,019
Improvement of instruction services					
Social Security contributions	-	2,238	2,238	2,238	-
Workmen's compensation	119	-	119	119	-
Health benefits	24,890	-	24,890	23,584	1,306
Total	25,009	2,238	27,247	25,941	1,306
Educational media services - sch. library					
Group insurance	100	26	126	-	126
Social Security contributions	5,000	-	5,000	4,898	102
Other retirement contributions - PERS	11,435	-	11,435	11,435	-
Other retirement contributions - regular	-	1,104	1,104	463	641
Workmen's compensation	594	-	594	594	-
Health benefits	37,310	-	37,310	37,310	-
Total	54,439	1,130	55,569	54,700	869
Support Services - general administration					
Social Security contributions	5,600	3,000	8,600	8,354	246
Other retirement contributions - PERS	12,960	-	12,960	12,960	-
Other retirement contributions - regular	-	138	138	138	-
Workmen's compensation	356	-	356	-	356
Health benefits	10,880	-	10,880	10,880	-
Total	29,796	3,138	32,934	32,332	602

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Support services - school administration					
Group insurance	$ 564	$ -	$ 564	$ 564	$ -
Social Security contributions	1,700	551	2,251	2,250	1
Workmen's compensation	713	-	713	713	-
Health benefits	25,535	(3,232)	22,303	16,813	5,490
Total	28,512	(2,681)	25,831	20,340	5,491
Support Services - central services					
Group insurance	392	-	392	392	-
Social Security contributions	16,800	(2,000)	14,800	14,772	28
Other retirement contributions - PERS	13,600	-	13,600	13,600	-
Workmen's compensation	772	-	772	772	-
Health benefits	13,680	-	13,680	13,680	-
Total	45,244	(2,000)	43,244	43,216	28
Required maintenance for school facilities					
Group insurance	564	-	564	564	-
Social Security contributions	4,415	3,051	7,466	7,466	-
Other retirement contributions - PERS	10,360	-	10,360	10,360	-
Workmen's compensation	891	-	891	891	-
Health benefits	41,935	-	41,935	41,935	-
Total	58,165	3,051	61,216	61,216	-
Custodial services					
Group insurance	739	-	739	739	-
Social Security contributions	15,990	(3,051)	12,939	12,202	737
Other retirement contributions - PERS	32,510	-	32,510	25,885	6,625
Workmen's compensation	2,524	1,000	3,524	3,524	-
Health benefits	53,625	-	53,625	52,058	1,567
Other employee benefits	2,250	-	2,250	600	1,650
Total	107,638	(2,051)	105,587	95,008	10,579
Care and upkeep of grounds					
Social Security contributions	1,975	-	1,975	1,975	-
Other retirement contributions - PERS	4,260	-	4,260	4,260	-
Workmen's compensation	445	-	445	91	354
Other employee benefits	750	-	750	-	750
Total	7,430	-	7,430	6,326	1,104
Student transportation services					
Group insurance	-	16	16	16	-
Social Security contributions	2,450	(2,132)	318	318	-
Other retirement contributions - regular	1,104	(87)	1,017	339	678
Unemployment compensation	416	(416)	-	-	-
Workmen's compensation	-	416	416	416	-
Unused sick payment to terminated/retired staff	-	3,443	3,443	3,443	-
Total	3,970	1,240	5,210	4,532	678
Total allocated benefits - employees	$ 1,328,102	$ 2,179	$ 1,330,281	$ 1,155,061	$ 175,220

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Unallocated benefits - employee benefits					
Unemployment compensation	$ -	$ 33,033	$ 33,033	$ 33,033	$ -
Total	-	33,033	33,033	33,033	-
On-behalf TPAF Pension contribution	-	-	-	919,915	(919,915)
On-behalf TPAF Non-contributory insurance	-	-	-	11,395	(11,395)
On-behalf TPAF Postretirement medical benefits	-	-	-	272,130	(272,130)
On-behalf TPAF Long-term disability insurance	-	-	-	690	(690)
Reimbursed TPAF Social Security contribution	-	-	-	172,524	(172,524)
Total	-	-	-	1,376,654	(1,376,654)
Total undistributed expenditures	$ 5,980,858	$ 265,570	$ 6,246,428	$ 6,646,496	$ (400,068)
Total current	$ 8,573,404	$ 188,103	$ 8,761,507	$ 9,095,711	$ (334,204)
Capital outlay					
Equipment					
Undistributed					
Undistributed expend. - support service - students	$ -	$ 4,650	$ 4,650	$ 4,650	$ -
Undistributed expend. - required maint. for school facilities	12,000	25,181	37,181	37,181	-
Total equipment	12,000	29,831	41,831	41,831	-
Facilities acquisition and construction service					
Architectural/engineering services	75,000	-	75,000	1,000	74,000
Construction services	448,933	-	448,933	260,527	188,406
Assessment for debt service on SDA funding	36,136	-	36,136	36,136	-
Total facilities acquisition and construction service	560,069	-	560,069	297,663	262,406
Total capital outlay	$ 572,069	$ 29,831	$ 601,900	$ 339,494	$ 262,406
Total expenditures	$ 9,145,473	$ 217,934	$ 9,363,407	$ 9,435,205	$ (71,798)
Excess (deficiency) of revenues over (under) expenditures	$ (994,438)	$ (217,934)	$ (1,212,372)	$ 293,675	$ 1,506,047
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	(78,625)	-	(78,625)	(78,625)	-
Total other financing sources (uses)	(78,625)	-	(78,625)	(78,625)	-
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(1,073,063)	(217,934)	(1,290,997)	215,050	1,506,047
Fund balances, July 1	2,298,547	-	2,298,547	2,298,547	-
Fund balances, June 30	$ 1,225,484	$ (217,934)	$ 1,007,550	$ 2,513,597	$ 1,506,047

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	$ (22,029)	$ -	$ (22,029)	$ (22,029)	$ -
Increase in capital reserve	-	1,010,166	1,010,166	1,010,166	-
Interest deposit to capital reserve	1,000	-	1,000	20,914	19,914
Withdrawal from capital reserve	(523,933)	-	(523,933)	(523,933)	-
Increase in maintenance reserve	-	100,000	100,000	100,000	-
Withdrawal from maintenance reserve	(7,807)	-	(7,807)	(7,807)	-
Interest earned on unemployment compensation	-	-	-	1,028	1,028
Withdrawal from unemployment compensation	-	-	-	(33,033)	(33,033)
Budgeted fund balance	(520,294)	(1,328,100)	(1,848,394)	(330,256)	1,518,138
Total	$ (1,073,063)	$ (217,934)	$ (1,290,997)	$ 215,050	$ 1,506,047
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				$ 1,669,959	
Maintenance reserve				175,000	
Unemployment compensation				78,385	
Committed fund balance					
Year-end encumbrances				35,340	
Assigned fund balance					
Designated for subsequent year's expenditures				300,000	
Unassigned fund balance				254,913	
Fund balance per budgetary basis				2,513,597	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(43,073)	
Fund balance per governmental funds (GAAP)				$ 2,470,524	

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources	$ 57,428	$ -	$ 57,428	$ 55,399	$ (2,029)
State sources	457,125	-	457,125	428,302	(28,823)
Federal sources	131,208	2,825	134,033	134,033	-
Total revenues	645,761	2,825	648,586	617,734	(30,852)
Other financing sources					
Transfers in	78,625	-	78,625	78,625	-
Total revenues & other financing sources	$ 724,386	$ 2,825	$ 727,211	$ 696,359	$ (30,852)
Expenditures					
Instruction					
Salaries	$ 226,973	$ (8,317)	$ 218,656	$ 217,756	$ 900
Purchased professional and technical services	9,313	-	9,313	9,313	-
Other purchased services	7,472	(3,312)	4,160	4,160	-
General supplies	54,161	21,026	75,187	74,045	1,142
Total	297,919	9,397	307,316	305,274	2,042
Support services					
Tuition	71,146	-	71,146	71,146	-
Salaries	89,991	3,297	93,288	92,878	410
Employee benefits	88,127	8,486	96,613	96,613	-
Purchased professional & technical services	28,966	(7,287)	21,679	21,670	9
Plant operations & maintenance	500	-	500	500	-
Other purchased services	380	3,142	3,522	3,522	-
Transportation	14,990	(4,791)	10,199	9,599	600
Travel	150	-	150	-	150
Supplies & materials	3,400	2,119	5,519	5,347	172
Other objects	1,800	-	1,800	932	868
Student activities	31,999	-	31,999	31,999	-
Scholarships	825	-	825	825	-
Total	332,274	4,966	337,240	335,031	2,209

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Expenditures (continued)					
Capital outlay					
Instructional equipment	$ 23,200	$ (10,229)	$ 12,971	$ 12,825	$ 146
Non-Instructional equipment	65,309	(1,309)	64,000	37,545	26,455
Total	88,509	(11,538)	76,971	50,370	26,601
Total expenditures	$ 718,702	$ 2,825	$ 721,527	$ 690,675	$ 30,852
Excess (deficiency) of revenues over (under) expenditures	$ 5,684	$ -	$ 5,684	$ 5,684	$ -
Fund balances, July 1	81,276	-	81,276	81,276	-
Fund balances, June 30	$ 86,960	$ -	$ 86,960	$ 86,960	$ -
Recapitulation of fund balance					
Restricted fund balance					
Scholarships				$ 30,021	
Student activities				56,939	
Fund balance per budgetary basis				86,960	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(39,313)	
Fund balance per governmental funds (GAAP)				$ 47,647	

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2025

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	$9,728,880	$ 617,734
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	3,278
Outstanding encumbrances - current year	-	(42,512)
Differences - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable - prior year	50,249	44,586
State aid receivable - current year	(43,073)	(39,313)
Total revenues (GAAP basis)	$ 9,736,056	$ 583,773
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	$ 9,435,205	$ 690,675
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 reporting purposes:		
Outstanding encumbrances - prior year	-	3,278
Outstanding encumbrances - current year	-	(42,512)
Total expenditures (GAAP basis)	$ 9,435,205	$ 651,441

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2016	0.0037821410%	$ 1,120,162	$ 245,198	456.84%	40.14%
2017	0.0033631508%	782,888	269,526	290.47%	48.10%
2018	0.0040684600%	801,059	313,395	255.61%	53.60%
2019	0.0068237513%	1,229,536	467,754	262.86%	56.27%
2020	0.0065808336%	1,073,162	523,262	205.09%	58.32%
2021	0.0075601378%	895,612	469,651	190.70%	70.33%
2022	0.0065677118%	991,158	523,972	189.16%	62.91%
2023	0.0069637936%	1,008,662	546,800	184.47%	65.23%
2024	0.0069190552%	940,164	869,763	108.09%	68.22%
2025	N/A	N/A	913,838	N/A	N/A

N/A = Information not available

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	$ 24,637	$ (24,637)	$ -	$ 245,198	10.05%
2017	33,600	(33,600)	-	269,526	12.47%
2018	31,156	(31,156)	-	313,395	9.94%
2019	40,468	(40,468)	-	467,754	8.65%
2020	66,375	(66,375)	-	523,262	12.68%
2021	71,991	(71,991)	-	469,651	15.33%
2022	88,538	(88,538)	-	523,972	16.90%
2023	82,822	(82,822)	-	546,800	15.15%
2024	93,073	(93,073)	-	869,763	10.70%
2025	94,149	(94,149)	-	913,838	10.30%

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)					District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's		District's covered		
	Percentage	Value	proportion	Total	employee payroll		
2016	0.00%	$ -	$ 17,984,152	$ 17,984,152	$ 2,447,015	0.00%	22.33%
2017	0.00%	-	15,497,015	15,497,015	2,506,048	0.00%	25.41%
2018	0.00%	-	16,217,588	16,217,588	2,270,414	0.00%	26.49%
2019	0.00%	-	14,912,668	14,912,668	2,376,730	0.00%	26.95%
2020	0.00%	-	14,089,258	14,089,258	2,289,101	0.00%	24.60%
2021	0.00%	-	10,339,802	10,339,802	2,271,362	0.00%	35.52%
2022	0.00%	-	10,585,540	10,585,540	2,411,948	0.00%	32.29%
2023	0.00%	-	11,109,461	11,109,461	2,641,131	0.00%	34.68%
2024	0.00%	-	10,890,795	10,890,795	2,423,836	0.00%	37.99%
2025	N/A	N/A	N/A	N/A	2,368,673	N/A	N/A

N/A = Information not available

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	$ 183,036	$ (183,036)	$ -	$ 2,447,015	7.48%
2017	258,531	(258,531)	-	2,506,048	10.32%
2018	384,520	(384,520)	-	2,270,414	16.94%
2019	385,353	(385,353)	-	2,376,730	16.21%
2020	488,571	(488,571)	-	2,289,101	21.34%
2021	484,848	(484,848)	-	2,271,362	21.35%
2022	630,282	(630,282)	-	2,411,948	26.13%
2023	858,681	(858,681)	-	2,641,131	32.51%
2024	907,046	(907,046)	-	2,423,836	37.42%
2025	952,423	(952,423)	-	2,368,673	40.21%

See independent auditors' report.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)						
	District's proportion		State's			District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	Percentage	Value	proportion	Total	District's covered employee payroll		
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	$ -	$ 11,232,661	$ 11,232,661	$ 2,775,574	0.00%	0.00%
2018	0.00%	-	9,419,302	9,419,302	2,583,809	0.00%	0.00%
2019	0.00%	-	8,614,080	8,614,080	2,844,484	0.00%	0.00%
2020	0.00%	-	14,090,114	14,090,114	2,812,363	0.00%	0.00%
2021	0.00%	-	12,376,323	12,376,323	2,741,013	0.00%	0.00%
2022	0.00%	-	10,602,301	10,602,301	2,935,920	0.00%	0.00%
2023	0.00%	-	11,270,018	11,270,018	3,187,931	0.00%	0.00%
2024	0.00%	-	13,699,784	13,699,784	3,293,599	0.00%	0.00%
2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2025

Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits

The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

Note 2 - Changes in assumptions - TPAF

The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% in State fiscal year 2023 and 2.75% in State fiscal year 2024.

Note 3 - Changes in assumptions - PERS

The discount rate was 7.00% in State fiscal year 2023 and 7.00% in State fiscal year 2024. The inflation rate was 2.75% for State fiscal year 2023 and 2.75% for State fiscal year 2024.

Note 4 - Changes in assumptions - other postretirement employee benefits

The other postretirement employee benefits discount rate increased from 3.65% in State fiscal year 2023 to 3.93% in State fiscal year 2024.

Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	IDEA Basic	IDEA Preschool	ESSA Title IIA	ESSA Title IV	Small Rural School Achievement	NJ High Impact Tutoring
Revenues						
Local sources	$ -	$ -	$ -	$ -	$ -	$ -
State sources	-	-	-	-	-	-
Federal sources	71,146	4,524	4,102	10,000	34,948	9,313
Total revenues	71,146	4,524	4,102	10,000	34,948	9,313
Other financing sources						
Transfer from general fund	-	-	-	-	-	-
Total revenues and other financing sources	$ 71,146	$ 4,524	$ 4,102	$ 10,000	$ 34,948	$ 9,313
Expenditures						
Instruction						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Purchased professional & technical services	-	-	-	-	-	9,313
Other purchased services	-	-	580	-	2,545	-
General supplies	-	2,261	-	2,940	29,578	-
Total	-	2,261	580	2,940	32,123	9,313
Support services						
Tuition	71,146	-	-	-	-	-
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased professional & technical services	-	2,263	-	7,060	-	-
Plant operations & maintenance	-	-	-	-	-	-
Other purchased services	-	-	3,522	-	-	-
Transportation	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Scholarships awarded	-	-	-	-	-	-
Student activities	-	-	-	-	-	-
Total	71,146	2,263	3,522	7,060	-	-
Capital outlay						
Instructional equipment	-	-	-	-	2,825	-
Non-instructional equipment	-	-	-	-	-	-
Total	-	-	-	-	2,825	-
Total expenditures	$ 71,146	$ 4,524	$ 4,102	$ 10,000	$ 34,948	$ 9,313
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -
Fund balances, July 1	-	-	-	-	-	-
Fund balances, June 30	$ -	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

SPECIAL REVENUE FUND

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Local Recreation	Preschool Expansion Aid	Local Grants	Scholarships	Student Activities	Total
Revenues						
Local sources	$ -	$ -	$ 16,891	$ 313	$ 38,195	$ 55,399
State sources	37,545	390,757	-	-	-	428,302
Federal sources	-	-	-	-	-	134,033
Total revenues	37,545	390,757	16,891	313	38,195	617,734
Other financing sources						
Transfer from general fund	-	78,625	-	-	-	78,625
Total revenues and other financing sources	$ 37,545	$ 469,382	$ 16,891	$ 313	$ 38,195	$ 696,359
Expenditures						
Instruction						
Salaries	$ -	$ 217,756	$ -	$ -	$ -	$ 217,756
Purchased professional & technical services	-	-	-	-	-	9,313
Other purchased services	-	1,035	-	-	-	4,160
General supplies	-	25,614	13,652	-	-	74,045
Total	-	244,405	13,652	-	-	305,274
Support services						
Tuition	-	-	-	-	-	71,146
Salaries	-	92,878	-	-	-	92,878
Employee benefits	-	96,613	-	-	-	96,613
Purchased professional & technical services	-	9,608	2,739	-	-	21,670
Plant operations & maintenance	-	-	500	-	-	500
Other purchased services	-	-	-	-	-	3,522
Transportation	-	9,599	-	-	-	9,599
General supplies	-	5,347	-	-	-	5,347
Other objects	-	932	-	-	-	932
Scholarships awarded	-	-	-	825	-	825
Student activities	-	-	-	-	31,999	31,999
Total	-	214,977	3,239	825	31,999	335,031
Capital outlay						
Instructional equipment	-	10,000	-	-	-	12,825
Non-instructional equipment	37,545	-	-	-	-	37,545
Total	37,545	10,000	-	-	-	50,370
Total expenditures	$ 37,545	$ 469,382	$ 16,891	$ 825	$ 31,999	$ 690,675
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ (512)	$ 6,196	$ 5,684
Fund balances, July 1	-	-	-	30,533	50,743	81,276
Fund balances, June 30	$ -	$ -	$ -	$ 30,021	$ 56,939	$ 86,960

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	$ 154,184	$ 154,184	$ -
Other salaries for instruction	63,572	63,572	-
Other purchased services	1,035	1,035	-
Supplies	25,626	25,614	12
Total	244,417	244,405	12
Support services			
Salaries - program director	17,580	17,580	-
Salaries - other professional staff	8,410	8,000	410
Salaries - secretarial & clerical	8,398	8,398	-
Salaries - other	28,400	28,400	-
Salaries - community parent involvement	10,370	10,370	-
Salaries - preschool coach	20,130	20,130	-
Employee benefits	96,613	96,613	-
Purchased professional and technical services	9,618	9,608	10
Transportation	10,199	9,599	600
Travel	150	-	150
Supplies	5,519	5,347	172
Other objects	1,800	932	868
Total	217,187	214,977	2,210
Capital outlay			
Instructional equipment	10,146	10,000	146
Total	10,146	10,000	146
Total expenditures	$ 471,750	$ 469,382	$ 2,368

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2025

Calculation of Budget & Carryover		
Total revised 2024 - 2025 preschool education aid allocation	$	393,125
Add: actual ECPA/PEA carryover (June 30, 2024)		189,917
Add: budgeted transfer from general fund		78,625
Total preschool education aid funds available for 2024 - 2025 budget		661,667
Less: 2024 - 2025 budgeted preschool education aid		(471,750)
Available and unbudgeted preschool education aid funds as of June 30, 2025		189,917
Add: 2024 - 2025 unexpended preschool education aid		2,368
2024 - 2025 Actual carryover preschool education aid	$	192,285
Preschool education aid carryover budgeted for preschool programs 2025 - 2026	$	189,917
Unbudgeted carryover preschool education aid	$	2,368

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2025

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date Prior Years	GAAP Expenditures to Date Current Year	Unexpended Appropriations 06/30/25
School facilities improvements	07/02/24	$ 2,823,000	$ -	$ 145,905	$ 2,677,095
		$ 2,823,000	$ -	$ 145,905	$ 2,677,095

See independent auditors' reports.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2025

Revenues and other financing sources		
Bond proceeds	$	2,823,000
Interest		43,524
Total revenues and other financing sources		2,866,524
Expenditures and other financing uses		
Purchased professional and technical services		103,278
Construction services		42,627
Total expenditures and other financing uses		145,905
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		2,720,619
Net position - beginning		-
Net position - ending	$	2,720,619
Analysis of balance		
Capital project fund balance	$	2,677,095
Interest earnings		43,524
	$	2,720,619

See independent auditors' reports.

FRANKLIN TOWNSHIP SCHOOL DISTRICT (HUNTERDON COUNTY)
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
School Facilities Improvements
For the Fiscal Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	$ -	$ 2,823,000	$ 2,823,000	$ 2,823,000
Total revenues	-	2,823,000	2,823,000	2,823,000
Expenditures and other financing uses				
Purchased professional and technical services	-	103,278	103,278	185,000
Fees and permits	-	-	-	8,762
Construction services	-	42,627	42,627	2,504,008
Construction contingency	-	-	-	125,230
Total expenditures	-	145,905	145,905	2,823,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 2,677,095	$ 2,677,095	$ -

Additional Project Information	
Project number	1600-050-24-1000
Project authorization date	07/02/24
Bonds authorized	11/5/2024
Bonds and bond anticipation notes	$ 2,823,000
Original authorized cost	2,823,592
Additional authorized cost	(592)
Revised authorized cost	2,823,000
Percentage completion	5.17%

See independent auditors' reports.

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 leases, and early retirement program.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance 07/01/24	Issued	Retired	Balance 06/30/25
2012 Refunding issue of 2005 series	03/17/13	$ 5,380,000			4.00%	$ 620,000	$ -	$ 620,000	$ -
2024 General obligation school construction bonds	12/30/24	2,823,000	08/15/25	$ 83,000	1.00%	-	2,823,000	-	2,823,000
			08/15/26	105,000	1.00%	-	-	-	-
			08/15/27	110,000	1.00%	-	-	-	-
			08/15/28	115,000	1.00%	-	-	-	-
			08/15/29	120,000	1.00%	-	-	-	-
			08/15/30	120,000	1.00%	-	-	-	-
			08/15/31	130,000	3.00%	-	-	-	-
			08/15/32	135,000	3.00%	-	-	-	-
			08/15/33	140,000	4.00%	-	-	-	-
			08/15/34	145,000	4.00%	-	-	-	-
			08/15/35	150,000	4.00%	-	-	-	-
			08/15/36	155,000	4.00%	-	-	-	-
			08/15/37	160,000	4.00%	-	-	-	-
			08/15/38	165,000	4.00%	-	-	-	-
			08/15/39	165,000	4.00%	-	-	-	-
			08/15/40	165,000	4.00%	-	-	-	-
			08/15/41	165,000	4.00%	-	-	-	-
			08/15/42	165,000	4.00%	-	-	-	-
			08/15/43	165,000	4.00%	-	-	-	-
			08/15/44	165,000	4.00%	-	-	-	-
						$ 620,000	$ 2,823,000	$ 620,000	$ 2,823,000

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025

	Unaudited				Variance
	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual
Revenues					
Local sources					
Local tax levy	$ 644,800	$ -	$ 644,800	$ 644,800	$ -
Total revenues	644,800	-	644,800	644,800	-
Expenditures					
Regular debt service					
Redemption of principal	620,000	-	620,000	620,000	-
Interest on bonds	24,800	-	24,800	24,800	-
Total expenditures	644,800	-	644,800	644,800	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	$ -	$ -	$ -	$ -	$ -

See independent auditors' report.

STATISTICAL SECTION

MILFORD BOROUGH SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend 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.	J-10 to J-13
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.	J-14 to J-15
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.	J-16 to J-20

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

The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Government activities										
Net investment in capital assets	$ 6,963,838	$ 7,155,687	$ 7,343,926	$ 7,361,529	$ 7,535,789	$ 8,194,027	$ 9,084,698	$ 9,901,282	$ 10,468,203	$ 8,282,816
Restricted	414,577	574,340	1,052,110	1,458,689	2,468,971	2,761,128	2,281,939	1,435,270	1,437,285	4,730,923
Unrestricted	(874,319)	(931,629)	(646,379)	(585,618)	(704,967)	(560,935)	(382,258)	(134,121)	(119,066)	(419,294)
Total governmental activities	$ 6,504,096	$ 6,798,398	$ 7,749,657	$ 8,234,600	$ 9,299,793	$ 10,394,220	$ 10,984,379	$ 11,202,431	$ 11,786,422	$ 12,594,445
Business-type activities										
Net investment in capital assets	$ 7,139	$ 13,188	$ 11,402	$ 11,026	$ 9,591	$ 8,156	$ 6,720	$ 5,284	$ 35,232	$ 67,992
Unrestricted	67,869	29,489	35,482	3,741	2,007	13,037	29,636	76,081	68,856	29,441
Total business-type activities	$ 75,008	$ 42,677	$ 46,884	$ 14,767	$ 11,598	$ 21,193	$ 36,356	$ 81,365	$ 104,088	$ 97,433
District-wide										
Net investment in capital assets	$ 6,970,977	$ 7,168,875	$ 7,355,328	$ 7,372,555	$ 7,545,380	$ 8,202,183	$ 9,091,418	$ 9,906,566	$ 10,503,435	$ 8,350,808
Restricted	414,577	574,340	1,052,110	1,458,689	2,468,971	2,761,128	2,281,939	1,435,270	1,437,285	4,730,923
Unrestricted	(806,450)	(902,140)	(610,897)	(581,877)	(702,960)	(547,898)	(352,622)	(58,040)	(50,210)	(389,853)
Total district-wide	$ 6,579,104	$ 6,841,075	$ 7,796,541	$ 8,249,367	$ 9,311,391 *	$ 10,415,413	$ 11,020,735	$ 11,283,796	$ 11,890,510	$ 12,691,878

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 3,989,038	$ 4,153,428	$ 4,464,813	$ 4,530,474	$ 3,759,052	$ 4,241,238	$ 3,952,667	$ 3,939,404	$ 3,881,857	$ 3,941,270
Special education	657,463	837,329	437,254	688,953	711,896	866,785	1,090,679	1,393,265	1,035,268	854,270
Other special education	123,932	98,611	193,872	3,878	-	24,117	195,902	202,007	279,119	285,861
Other instruction	37,681	46,678	47,347	78,127	326,706	33,079	44,405	28,934	41,197	50,348
Support services										
Tuition	331,905	210,704	323,119	324,918	197,510	227,219	315,037	438,600	623,903	510,054
Student & instruction related services	798,516	995,930	1,123,937	1,234,490	1,459,329	1,438,343	1,527,147	1,796,245	2,473,340	2,617,397
General & business administrative services	643,343	712,448	661,909	634,784	632,463	615,780	555,761	558,241	539,946	640,048
School administration	91,214	138,232	86,456	89,842	73,689	237,725	214,006	223,929	206,970	277,371
Plant operations & maintenance	478,728	663,211	628,220	770,890	815,295	846,365	963,697	1,017,739	1,028,868	938,689
Pupil transportation	110,350	458,737	310,738	359,248	303,148	381,349	451,158	563,310	563,974	571,828
Interest on long-term debt	248,948	192,159	177,688	185,275	155,304	126,999	107,773	87,709	60,826	73,219
Total governmental activities expenses	7,511,118	8,507,467	8,455,353	8,900,879	8,434,392	9,038,999	9,418,232	10,249,383	10,735,268	10,760,355
Business-type activities										
Food services	67,225	71,754	73,548	71,519	57,500	42,656	84,627	86,577	91,700	142,508
Pre K & K wrap program	65,014	61,000	15,750	-	-	-	-	-	-	-
Total business-type activities	132,239	132,754	89,298	71,519	57,500	42,656	84,627	86,577	91,700	142,508
Total district expenses	$ 7,643,357	$ 8,640,221	$ 8,544,651	$ 8,972,398	$ 8,491,892	$ 9,081,655	$ 9,502,859	$ 10,335,960	$ 10,826,968	$ 10,902,863

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Governmental activities										
Charges for services										
Instruction	$ 16,672	$ 11,314	$ -	$ 90,567	$ 56,130	$ 94,667	$ 157,615	$ 354,250	$ 682,414	$ 574,812
General & business administration services	-	13,750	31,400	-	-	-	-	-	-	-
Plant operations & maintenance	472	3,800	3,245	2,790	3,688	-	-	-	-	-
Pupil transportation	-	-	-	7,500	14,998	-	-	-	-	-
Operating grants & contributions	126,913	147,159	165,753	214,490	174,983	171,940	197,989	367,236	515,649	545,578
Total governmental activities	144,057	176,023	200,398	315,347	249,799	266,607	355,604	721,486	1,198,063	1,120,390
Business-type activities										
Charges for services										
Food service	55,939	50,332	57,260	53,395	39,452	449	9,665	74,742	73,095	83,267
Pre K & K wrap program	46,834	36,293	41,594	-	-	-	-	-	-	-
Operating grants & contributions	15,260	13,723	14,383	16,480	14,559	46,800	90,122	56,618	40,486	52,093
Total business - type activities	118,033	100,348	113,237	69,875	54,011	47,249	99,787	131,360	113,581	135,360
Total district-wide program revenues	$ 262,090	$ 276,371	$ 313,635	$ 385,222	$ 303,810	$ 313,856	$ 455,391	$ 852,846	$ 1,311,644	$ 1,255,750
Net (expense) revenues										
Governmental activities	$ (7,367,061)	$ (8,331,444)	$ (8,254,955)	$ (8,585,532)	$ (8,184,593)	$ (8,772,392)	$ (9,062,628)	$ (9,527,897)	$ (9,537,205)	$ (9,639,965)
Business-type activities	(14,206)	(32,406)	23,939	(1,644)	(3,489)	4,593	15,160	44,783	21,881	(7,148)
Total district-wide net expenses	$ (7,381,267)	$ (8,363,850)	$ (8,231,016)	$ (8,587,176)	$ (8,188,082)	$ (8,767,799)	$ (9,047,468)	$ (9,483,114)	$ (9,515,324)	$ (9,647,113)

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	$ 5,335,277	$ 5,439,982	$ 5,548,782	$ 5,659,758	$ 5,859,583	$ 5,976,775	$ 6,096,311	$ 6,217,871	$ 6,404,407	$ 6,831,875
Taxes levied for debt service	643,550	634,698	645,500	645,800	645,650	645,050	649,000	646,800	648,800	644,800
Unrestricted grants & contributions	1,805,503	2,502,994	2,941,300	2,676,545	2,380,757	3,196,463	2,848,542	2,810,055	2,972,344	2,703,916
Investment earnings	5,317	6,651	14,936	27,024	38,301	1,438	893	20,548	32,835	146,952
Miscellaneous income	77,458	41,424	35,696	29,771	64,309	52,093	58,041	50,675	62,810	87,091
Operating transfer	-	-	20,000	31,577	-	(5,000)	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-	(19,818)	-	-	-	-	(11,042)
Capital donation	-	-	-	-	-	-	-	-	-	44,396
Prior year adjustment	-	(3)	-	-	-	-	-	-	-	-
Total governmental activities	7,867,105	8,625,746	9,206,214	9,070,475	8,968,782	9,866,819	9,652,787	9,745,949	10,121,196	10,447,988
Business-type activities										
Investment earnings	61	75	58	74	69	2	3	226	842	493
Miscellaneous income	-	-	210	200	251	-	-	-	-	-
Gain on disposal of assets	-	-	-	830	-	-	-	-	-	-
Operating transfer	-	-	(20,000)	(31,577)	-	5,000	-	-	-	-
Total business-type activities	61	75	(19,732)	(30,473)	320	5,002	3	226	842	493
Total district-wide	$ 7,867,166	$ 8,625,821	$ 9,186,482	$ 9,040,002	$ 8,969,102	$ 9,871,821	$ 9,652,790	$ 9,746,175	$ 10,122,038	$ 10,448,481
Change in net position										
Governmental activities	$ 500,044	$ 294,302	$ 951,259	$ 484,943	$ 784,189	$ 1,094,427	$ 590,159	$ 218,052	$ 583,991	$ 808,023
Business-type activities	(14,145)	(32,331)	4,207	(32,117)	(3,169)	9,595	15,163	45,009	22,723	(6,655)
Total district	$ 485,899	$ 261,971	$ 955,466	$ 452,826	$ 781,020	$ 1,104,022	$ 605,322	$ 263,061	$ 606,714	$ 801,368

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Restricted	$ 500,143	$ 704,023	$ 1,121,260	$ 1,465,344	$ 2,471,525	$ 2,704,249	$ 2,221,305	$ 1,374,591	$ 1,356,009	$ 1,923,344
Committed	393,057	99,877	234,210	115,086	172,760	101,129	40,798	124,711	22,029	35,340
Assigned	-	-	-	181,754	1,547	17,104	104,739	266,766	520,294	300,000
Unassigned	294,474	345,955	341,220	292,703	235,584	391,111	480,189	433,402	349,966	211,840
Total general fund	$ 1,187,674	$ 1,149,855	$ 1,696,690	$ 2,054,887	$ 2,881,416 *	$ 3,213,593	$ 2,847,031	$ 2,199,470	$ 2,248,298	$ 2,470,524
All other governmental funds										
Restricted, reported in										
Special revenue fund	$ -	$ -	$ -	$ -	$ 25,492	$ 56,879	$ 60,634	$ 60,679	$ 81,276	$ 86,960
Capital projects fund	-	-	-	-	-	-	-	-	-	2,720,619
Assigned, reported in										
Debt service fund	10,058	-	-	-	-	-	-	-	-	-
Unassigned, reported in										
Special revenue fund	-	-	-	-	-	-	-	-	(44,586)	(39,313)
Total all other governmental funds	$ 10,058	$ -	$ -	$ -	$ 25,492 *	$ 56,879	$ 60,634	$ 60,679	$ 36,690	$ 2,768,266

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 5,978,827	$ 6,074,680	$ 6,194,282	$ 6,305,558	$ 6,505,233	$ 6,621,825	$ 6,745,311	$ 6,864,671	$ 7,053,207	$ 7,476,675
Tuition charges	16,672	11,314	-	90,567	56,130	87,155	133,292	324,393	639,345	536,617
Transportation fees	-	-	-	7,500	14,998	-	-	-	-	-
Rents and royalties	-	3,800	3,245	2,790	3,688	-	850	-	-	-
Interest earnings	5,317	6,651	14,936	27,024	38,301	1,438	893	20,548	32,835	146,952
Miscellaneous	40,412	55,540	67,096	31,759	65,229	94,307	81,522	86,652	120,463	142,489
State sources	1,048,292	1,179,856	1,325,422	1,462,048	1,396,118	1,673,871	2,019,005	2,279,425	2,515,699	2,570,115
Federal sources	109,312	118,672	131,813	170,676	128,015	137,238	197,981	377,153	360,170	135,305
Total revenues	7,198,832	7,450,513	7,736,794	8,097,922	8,207,712	8,615,834	9,178,854	9,952,842	10,721,719	11,008,153
Expenditures										
Instruction										
Regular instruction	2,471,583	2,159,749	2,025,138	2,139,465	1,898,142	1,842,656	1,908,783	1,893,891	1,737,206	1,794,495
Special education instruction	448,868	507,122	223,801	352,489	375,693	379,371	576,391	842,173	479,399	429,066
Other special instruction	79,251	90,570	91,691	-	-	-	96,322	118,603	164,375	178,868
Other instruction	31,878	42,872	43,529	46,176	39,266	27,431	39,377	25,950	37,904	46,786
Support services										
Tuition	255,220	148,673	257,033	250,383	157,510	169,219	257,037	351,671	537,233	438,908
Student & instr. related services	503,288	592,148	705,980	698,931	953,002	952,220	1,003,037	1,212,324	1,658,320	1,696,580
General administration	263,879	286,011	269,412	247,007	210,952	212,025	236,936	219,242	230,322	286,763
School administration services	64,257	71,273	79,842	71,947	41,549	108,305	115,753	133,462	113,013	144,781
Central services	167,526	170,175	173,241	177,728	187,645	135,757	116,464	145,623	179,472	196,980
Plant operations & maintenance	479,944	660,124	621,757	720,182	673,582	641,259	766,061	840,674	778,516	746,661
Pupil transportation	135,893	479,708	329,895	354,202	294,260	333,071	407,449	521,873	533,310	571,076
Employee benefits	664,802	661,874	624,106	780,267	801,674	854,686	915,044	992,771	1,051,223	1,188,093
On-behalf TPAF Pension & Social Security contribution	586,349	654,951	798,870	880,728	819,408	997,636	1,232,961	1,331,684	1,384,850	1,376,654
Capital outlay	61,256	120,089	68,275	1,255,371	70,669	508,132	728,380	644,025	187,950	303,358
Capital projects	-	-	-	-	-	-	-	-	-	145,905
Special revenue funds	126,913	147,159	165,753	214,490	174,983	148,068	217,707	397,048	686,901	651,441
Debt service										
Principal	460,000	475,000	490,000	505,000	752,066	765,756	793,823	821,408	851,947	620,000
Interest & other charges	219,686	205,886	191,636	176,936	161,786	146,186	130,136	107,936	84,936	60,936
Total expenditures	7,020,593	7,473,384	7,159,959	8,871,302	7,612,187	8,221,778	9,541,661	10,600,358	10,696,877	10,877,351

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess (deficiency) of revenues over (under) expenditures	$ 178,239	$ (22,871)	$ 576,835	$ (773,380)	$ 595,525	$ 394,056	$ (362,807)	$ (647,516)	$ 24,842	$ 130,802
Other financing sources (uses)										
Leases (non-budgeted)	148,060	-	-	1,200,000	-	-	-	-	-	-
Proceeds from bond issue	-	-	-	-	-	-	-	-	-	2,823,000
Transfers in (out)	-	(25,006)	(30,000)	(68,423)	(50,000)	(5,000)	-	-	-	-
Total other financing sources (uses)	148,060	(25,006)	(30,000)	1,131,577	(50,000)	(5,000)	-	-	-	2,823,000
Net change in fund balances	$ 326,299	$ (47,877)	$ 546,835	$ 358,197	$ 545,525	$ 389,056	$ (362,807)	$ (647,516)	$ 24,842	$ 2,953,802
Debt service as a percentage of non-capital expenditures	10.82%	10.20%	10.63%	9.83%	13.79%	13.41%	11.71%	10.30%	9.79%	6.99%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interest income	$ 5,317	$ 6,651	$ 14,936	$ 27,024	$ 38,301	$ 1,435	$ 893	$ 20,548	$ 32,835	$ 103,428
Tuition	16,672	11,314	-	90,567	56,130	87,155	133,292	324,393	639,345	536,617
Transportation fees	-	-	-	7,500	14,998	-	-	-	-	-
Building use fees/land rent	472	3,800	3,245	2,790	3,688	-	850	-	-	-
Prior year refunds	9,007	20,389	557	839	12,046	31,584	10,252	22,677	6,028	8,492
Student fees - pay to play	-	-	11,500	10,100	10,300	-	11,300	10,700	10,900	12,100
Outstanding checks voided	-	400	20	-	-	35	-	-	-	-
Book fines	-	106	4	15	-	-	-	-	-	-
Accounts payable canceled	-	-	2,695	-	-	-	18,501	15,610	17,050	30,844
Miscellaneous other	-	9,472	16,296	640	622	-	368	1,638	10,945	2,570
Return of excess funds	-	8,068	74	-	-	-	-	-	-	-
Sale of assets	30,933	578	-	4,836	300	-	4,270	50	-	24,000
Shared services	-	13,750	31,400	-	41,041	-	-	-	-	-
E-rate	-	1,997	2,996	12,095	-	20,474	13,350	-	17,887	9,085
Chromebook repairs	-	414	1,554	1,246	-	-	-	-	-	-
Annual totals	$ 62,401	$ 76,939	$ 85,277	$ 157,652	$ 177,426	$ 140,683	$ 193,076	$ 395,616	$ 734,990	$ 727,136

Source: District Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Vacant land	$ 3,383,900	$ 2,752,600	$ 2,684,100	$ 3,889,500	$ 4,068,000	$ 3,975,600	$ 4,054,600	$ 4,310,300	$ 4,294,200	$ 3,930,700
Residential	387,268,600	386,549,700	385,884,700	387,381,900	388,128,300	386,896,800	391,411,600	391,466,900	394,122,000	398,348,800
Farm regular	105,564,300	108,880,800	108,837,900	108,271,500	108,355,500	107,930,300	106,388,400	107,237,600	105,917,200	103,132,900
Q farm	4,139,397	4,111,735	4,556,876	4,517,300	4,433,600	4,318,200	4,283,500	4,432,400	4,478,600	4,425,600
Commercial	36,411,900	36,421,500	36,367,400	36,367,400	36,064,100	36,473,100	36,473,100	36,623,100	36,394,100	36,394,500
Industrial	2,328,900	2,028,900	2,028,900	2,028,900	2,028,900	2,028,900	2,028,900	2,028,900	3,200,600	3,402,500
Apartment	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400	1,037,400
Total assessed value	540,134,397	541,782,635	541,397,276	543,493,900	544,115,800	542,660,300	545,677,500	547,136,600	549,444,100	550,672,400
Public utilities (a)	1,403,600	1,403,600	1,403,600	1,403,600	1,403,600	1,403,600	1,403,600	1,403,600	-	-
Net valuation taxable	$ 541,537,997	$ 543,186,235	$ 542,800,876	$ 544,897,500	$ 545,519,400	$ 544,063,900	$ 547,081,100	$ 548,540,200	$ 549,444,100	$ 550,672,400
Estimated actual county equalized value	$ 555,651,547	$ 552,917,585	$ 573,906,615	$ 569,321,387	$ 564,953,811	$ 542,926,701	$ 557,676,962	$ 576,016,171	$ 606,517,386	$ 619,080,382
Percentage of net valuation to estimated actual equalized value	97.46%	98.24%	94.58%	95.71%	96.56%	100.21%	98.10%	95.23%	90.59%	88.95%
Total direct school tax rate (b)	$ 1.111	$ 1.172	$ 1.153	$ 1.177	$ 1.203	$ 1.240	$ 1.255	$ 1.246	$ 1.322	$ 1.369

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
(b) Tax rates are per $100.
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FRANKLIN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per $100 of Assessed Value)

Assessment Year	School District Direct Rate: Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Rate	Overlapping Rates: Municipality	County	Fire District	Total Direct & Overlapping Tax Rate
2016	$ 0.991	$ 0.120	$ 1.111	$ 0.597	$ 0.335	$ 0.381	$ 0.062	$ 2.486
2017	1.050	0.122	1.172	0.602	0.344	0.378	0.063	2.559
2018	1.033	0.120	1.153	0.643	0.352	0.398	0.063	2.609
2019	1.056	0.121	1.177	0.667	0.360	0.395	0.063	2.662
2020	1.084	0.119	1.203	0.668	0.404	0.391	0.070	2.736
2021	1.119	0.121	1.240	0.617	0.412	0.377	0.073	2.719
2022	1.134	0.121	1.255	0.686	0.420	0.385	0.078	2.824
2023	1.129	0.117	1.246	0.646	0.472	0.397	0.081	2.842
2024	1.200	0.122	1.322	0.685	0.505	0.410	0.084	3.006
2025	1.251	0.118	1.369	0.668	0.554	0.414	0.085	3.090

Sources: Municipal Tax Collector

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

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2025			2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
National Project Resources LP	$ 20,000,000	1	3.63%	$ 20,000,000	1	3.69%
IHM Clinton LLC	6,769,500	2	1.23%	6,500,000	2	1.20%
AT&T Communications	2,631,200	3	0.48%	2,531,200	3	0.47%
Individual Property Owner	2,361,200	4	0.43%	2,469,800	4	0.46%
Individual Property Owner	1,877,400	5	0.34%	2,218,890	5	0.41%
Individual Property Owner	1,854,900	6	0.34%	1,874,927	6	0.35%
Individual Property Owner	1,649,600	7	0.30%	1,652,534	7	0.31%
Individual Property Owner	1,377,500	8	0.25%	1,532,230	8	0.28%
Individual Property Owner	1,358,500	9	0.25%	1,374,635	9	0.25%
Individual Property Owner	1,330,700	10	0.24%	1,358,500	10	0.25%
	$ 41,210,500		7.48%	$ 41,512,716		7.67%

Source: Municipal Tax Assessor

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2016	$ 5,978,827	$ 5,978,827	100.00%
2017	6,074,680	6,074,680	100.00%
2018	6,194,282	6,194,282	100.00%
2019	6,305,558	6,305,558	100.00%
2020	6,505,233	6,505,233	100.00%
2021	6,621,825	6,621,825	100.00%
2022	6,745,311	6,745,311	100.00%
2023	6,864,671	6,864,671	100.00%
2024	7,053,207	7,053,207	100.00%
2025	7,476,675	7,476,675	100.00%

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities: General Obligation Bonds	Governmental Activities: Certificates of Participation	Governmental Activities: Leases	Governmental Activities: Bond Anticipation Notes (BANs)	Business-Type Activities: Leases	Total District	% of Personal Income (a)	Per Capita (a)
2016	$ 4,875,000	$ -	$ 150,319	$ -	$ -	$ 5,025,319	1.97%	$ 1,552
2017	4,400,000	-	76,143	-	-	4,476,143	1.71%	1,384
2018	3,910,000	-	-	-	-	3,910,000	1.47%	1,206
2019	3,405,000	-	1,200,000	-	-	4,605,000	1.53%	1,301
2020	2,885,000	-	967,933	-	-	3,852,933	1.22%	1,091
2021	2,350,000	-	737,178	-	-	3,087,178	0.96%	882
2022	1,795,000	-	498,355	-	-	2,293,355	0.71%	699
2023	1,220,000	-	251,947	-	-	1,471,947	0.45%	452
2024	620,000	-	-	-	-	620,000	0.18%	189
2025	2,823,000	-	-	-	-	2,823,000	N/A	854

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-14 for personal income and population data.
These ratios area calculated using personal income and population for the prior calendar year.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
2016	$ 4,875,000	$ -	$ 4,875,000	0.90%	$ 1,506
2017	4,400,000	-	4,400,000	0.81%	1,360
2018	3,910,000	-	3,910,000	0.72%	1,206
2019	3,405,000	-	3,405,000	0.62%	962
2020	2,885,000	-	2,885,000	0.53%	817
2021	2,350,000	-	2,350,000	0.43%	672
2022	1,795,000	-	1,795,000	0.33%	547
2023	1,220,000	-	1,220,000	0.22%	375
2024	620,000	-	620,000	0.11%	189
2025	2,823,000	-	2,823,000	0.51%	854

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	$ 2,681,933	100.00%	$ 2,681,933
Regional High School	5,740,000	6.10%	350,140
County general obligation debt	72,292,160	2.21%	1,597,657
Subtotal, overlapping debt			4,629,730
School District direct debt			3,443,000
Total direct and overlapping debt			$ 8,072,730

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

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized Valuation Basis
	2024	$ 617,699,944
	2023	603,970,195
	2022	573,010,081
		$1,794,680,220
Average equalized valuation of taxable property		$ 598,226,740
Debt limit (3.0% of average equalization value)	(a)	$ 17,946,802
Total net debt applicable to limit		2,823,000
Legal debt margin		$ 15,123,802

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	$ 16,714,960	$ 16,590,022	$ 16,691,562	$ 17,301,508	$ 17,946,802
Total net debt applicable	2,350,000	1,795,000	1,220,000	620,000	2,823,000
Legal debt margin	$ 14,364,960	$ 14,795,022	$ 15,471,562	$ 16,681,508	$ 15,123,802
Total net debt applicable to the limit as a percentage of debt limit	14.06%	10.82%	7.31%	3.58%	15.73%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	$ 16,836,026	$ 16,538,433	$ 16,750,287	$ 16,883,054	$ 17,013,504
Total net debt applicable	4,875,000	4,400,000	3,910,000	3,405,000	2,885,000
Legal debt margin	$ 11,961,026	$ 12,138,433	$ 12,840,287	$ 13,478,054	$ 14,128,504
Total net debt applicable to the limit as a percentage of debt limit	28.96%	26.60%	23.34%	20.17%	16.96%

Source: Equalized Valuation Basis were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit Set by N.J.S.A. 18A:24-19.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2016	3,237	$ 254,599,761	$ 78,653	3.8%
2017	3,235	262,216,160	81,056	3.5%
2018	3,241	266,838,012	82,332	3.1%
2019	3,539	301,306,921	85,139	2.7%
2020	3,530	316,528,040	89,668	7.1%
2021	3,499	321,509,114	91,886	5.0%
2022	3,280	321,672,880	98,071	3.0%
2023	3,254	324,267,608	99,652	3.4%
2024	3,286	347,662,086	105,801	3.5%
2025	3,307	N/A	N/A	N/A

Sources:

(a) Population information provided by the NJ Dept of Labor and Workforce Development.

(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.

(c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2025

Employer	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Instruction										
Regular	26.0	24.0	24.0	24.0	23.0	25.0	23.5	22.2	22.3	23.5
Special education	3.0	3.0	4.5	4.0	5.0	6.0	7.5	8.0	7.7	8.1
Other special education	1.4	2.0	1.0	-	0.2	0.2	0.2	-	-	-
Other instruction - aides	-	-	1.0	0.4	1.7	1.0	1.0	1.0	11.0	15.0
Support services										
Student and instruction related services	2.0	2.0	2.5	3.0	2.0	2.0	3.0	4.0	6.8	7.6
General administration	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	0.7	1.0
School administration services	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	1.2	1.5
Central services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.3	1.3
Other support services	4.0	4.0	2.5	6.0	5.6	5.8	5.8	5.4	6.2	4.5
Total	41.4	40.0	41.5	43.4	42.5	45.0	46.0	45.1	57.2	62.5

Source: District Personnel Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	296	$ 6,279,651	$ 21,215	12.10%	26.0	1 to 11.38	292.7	281.9	-0.68%	96.32%
2017	296	6,672,409	22,542	6.26%	27.0	1 to 10.96	283.9	273.4	-3.01%	96.30%
2018	298	6,410,048	21,510	-4.58%	28.5	1 to 10.46	284.8	274.3	0.30%	96.31%
2019	283	6,933,995	24,502	13.91%	28.0	1 to 10.11	278.2	268.1	-2.30%	96.37%
2020	278	6,627,666	23,841	-2.70%	28.0	1 to 9.93	282.0	274.2	1.35%	97.25%
2021	262	6,801,704	25,961	8.89%	31.0	1 to 8.45	250.0	244.5	-11.34%	97.82%
2022	263	7,889,322	29,997	15.55%	31.0	1 to 8.48	258.8	244.9	3.52%	94.65%
2023	285	9,026,989	31,674	5.59%	30.2	1 to 9.44	276.1	261.5	6.70%	94.70%
2024	288	9,572,044	33,236	4.93%	30.0	1 to 9.60	271.3	257.1	-1.76%	94.77%
2025	294	9,747,152	33,154	-0.25%	31.6	1 to 9.30	293.5	279.0	8.20%	95.06%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.
(b) Teaching staff includes only full-time equivalents or certificated staff.
(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary (1925)										
Square feet	71,296	71,296	71,296	71,296	71,296	71,296	71,296	71,296	71,296	71,296
Capacity (students)	448	448	448	448	448	448	448	448	448	448
Enrollment	306	294	285	282	282	252	247	280	263	290

Number of schools at June 30, 2025	
Elementary	1

Source: District Facilities Office

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities *

Fiscal Year Ended	Amount
2016	$ 63,276
2017	209,497
2018	206,382
2019	254,199
2020	253,773
2021	186,700
2022	235,643
2023	251,610
2024	167,585
2025	185,960
Total school facilities	$ 2,014,625

* 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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
(Unaudited)

	Coverage	Deductible
Section I - Property:		
Blanket building and contents	$ 500,000,000	$ 2,500
Included in property - Valuable papers and records; extra expense/business income, EDP equip, data, media, extra expense; camera, musical instruments; glass coverage; demolition/incr. cost of construction; blanket contractors equipment		
Section II - General Liability:		
Bodily injury and property damage	5,000,000	-
Sexual misconduct	5,000,000	-
Section III - School Board Legal Liability Policy:		
Aggregate limit of liability	10,000,000	5,000
Section IV - Crime:		
Blanket employee dishonesty	500,000	1,000
Depositors forgery	50,000	-
Computer fraud	50,000	-
Money and securities	50,000	-
Section V - Environmental Liability:		
Per pollution condition	1,000,000	10,000
Policy and program aggregate	25,000,000	-
Cyber Liability		
Aggregate limit of liability	2,000,000	10,000
Workers Compensation		
Section A	Statutory	-
Section B	5,000,000	-

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Insurance Schedule (continued)
June 30, 2025
(Unaudited)

	Coverage	Deductible
Automobile:		
Bodily injury and property	$ 5,000,000	$ -
Personal injury protection	Statutory	-
Uninsured/Underinsured	15,000/30,000/5,000	-
Medical payments	10,000	-
Comprehensive and collision	ACV	1,000
Commercial Umbrella: SAIF		
Per occurrence	5,000,000	-
Annual aggregate	5,000,000	-
Public Employee Faithful Performance Bond		
Selective insurance		
Business Administrator/Board Secretary	200,000	-
Treasurer of School Monies	200,000	-
Student Accident Insurance: Great American Insurance Co		
Base	25,000	-
Catastrophic	5,000,000	25,000

Source: District records

SINGLE AUDIT SECTION

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART I

BKC
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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Franklin Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2025, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated October 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Franklin Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not 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 matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA, PSA
NO. 20CS00265600

October 28, 2025
Flemington, New Jersey

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the New Jersey OMB Circular 15-08

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Franklin Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The District's major state programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

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; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

BKC, CPAs, PC

BKC, CPAs, PC

MH

Michael A. Holk, CPA,
PSA NO. 20CS00265600

October 28, 2025
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period From	Grant Period To	Balance 06/30/24	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment/ Repayment	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor
U.S. Department of Education passed													
through State Department of Education													
Special Revenue Fund													
Special education cluster (IDEA)													
IDEA Basic	84.027A	H027A250100	$ 71,146	07/01/24	09/30/25	$ -	$ -	$ 71,146	$ 71,146	$ -	$ -	$ -	$ -
IDEA Preschool	84.173A	H173A250114	4,523	07/01/24	09/30/25	-	-	4,524	4,524	-	-	-	-
Total special education cluster (IDEA)						-	-	75,670	75,670	-	-	-	-
Title I A	84.010	S010A240030	23,346	07/01/23	07/01/24	(4,159)	-	4,159	-	-	-	-	-
Title II A	84.367A	S367A240029	4,981	07/01/23	07/01/24	-	-	380	380	-	-	-	-
Title II A	84.367A	S367A250029	3,722	07/01/24	09/30/25	-	-	3,722	3,722	-	-	-	-
Title IV	84.424	S424A240031	11,595	07/01/23	07/01/24	(1,025)	-	1,025	-	-	-	-	-
Title IV	84.424	S424A250031	10,000	07/01/24	09/30/25	-	-	4,729	10,000	-	(5,271)	-	-
Rural Education Achievement Program	84.358	S358B250030	34,948	07/01/24	09/30/25	-	-	34,948	34,948	-	-	-	-
COVID-19													
CARES Emergency Relief	84.425D	S425D200027	7,718	07/01/20	06/30/21	2,100	-	-	-	(2,100)	-	-	-
ARP-ESSER III													
Evidenced Based Comprehensive													
Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	(1,462)	-	1,462	-	-	-	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	(14,849)	-	14,849	-	-	-	-	-
NJ High Impact Tutoring	21.027	SLFRFDOE1SES	28,000	10/11/23	08/31/24	(18,687)	-	18,687	9,313	-	(9,313)	-	-
Total Special Revenue Fund						(38,082)	-	159,631	134,033	(2,100)	(14,584)	-	-
U.S. Department of Agriculture passed													
through State Department of Agriculture													
Enterprise Fund													
Child Nutrition Cluster													
National School Lunch Program													
Non-Cash Assistance (Commodities)	10.555	24NJ304N1099	8,694	7/1/2023	6/30/2024	2,643	-	-	2,643	-	-	-	-
Non-Cash Assistance (Commodities)	10.555	25NJ304N1099	7,998	7/1/2024	6/30/2025	-	-	7,998	6,867	-	-	1,131	-
Cash Assistance	10.555	24NJ304N1099	18,046	7/1/2023	6/30/2024	(754)	-	754	-	-	-	-	-
Cash Assistance	10.555	25NJ304N1099	29,505	7/1/2024	6/30/2025	-	-	27,042	29,505	-	(2,463)	-	-
School Breakfast Program	10.553	25NJ304N1099	9,391	7/1/2024	6/30/2025	-	-	8,587	9,391	-	(804)	-	-
Total Child Nutrition Cluster						1,889	-	44,381	48,406	-	(3,267)	1,131	-
P-EBT	10.649	2022225900941	643	7/1/2024	6/30/2025	-	-	643	643	-	-	-	-
Total Enterprise Fund						1,889	-	45,024	49,049	-	(3,267)	1,131	-
Total Federal Awards						$ (36,193)	$ -	$ 204,655	$ 183,082	$ (2,100)	$ (17,851)	$ 1,131	$ -

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2025

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2024 Deferred Rev. (Accts. Rec)	Balance June 30, 2024 Due to Grantor	Cash Received	Budgetary Expenditure	Adjustment/ Repayment	Balance June 30, 2025 Accounts Receivable	Balance June 30, 2025 Deferred Revenue	Balance June 30, 2025 Due to Grantor	Memo Budgetary Receivable	Memo Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	25-495-034-5120-089	$ 308,724	07/01/24	06/30/25	$ -	$ -	$ 280,961	$ 308,724	$ -	$ -	$ -	$ -	$ 27,763	$ 308,724
Security Aid	25-495-034-5120-084	27,375	07/01/24	06/30/25	-	-	24,913	27,375	-	-	-	-	2,462	27,375
Transportation Aid	25-495-034-5120-014	140,804	07/01/24	06/30/25	-	-	128,141	140,804	-	-	-	-	12,663	140,804
Adjustment Aid	25-495-034-5120-085	2,057	07/01/24	06/30/25	-	-	1,872	2,057	-	-	-	-	185	2,057
Stabilization Aid	25-495-034-5120-494	31,800	07/01/24	06/30/25	-	-	31,800	31,800	-	-	-	-	-	31,800
Extraordinary Aid	24-495-034-5120-044	446,120	07/01/23	06/30/24	(446,120)	-	446,120	-	-	-	-	-	-	446,120
Extraordinary Aid	25-495-034-5120-044	275,656	07/01/24	06/30/25	-	-	-	275,656	-	(275,656)	-	-	-	275,656
Non-Public Transportation Aid	24-495-034-5120-014	4,095	07/01/23	06/30/24	(4,095)	-	4,095	-	-	-	-	-	-	4,095
Non-Public Transportation Aid	25-495-034-5120-014	4,913	07/01/24	06/30/25	-	-	-	4,913	-	(4,913)	-	-	-	4,913
State Reimb-Menstrual Products	Unavailable	1,886	07/01/24	06/30/25	-	-	-	1,886	-	(1,886)	-	-	-	1,886
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	272,130	07/01/24	06/30/25	-	-	272,130	272,130	-	-	-	-	-	272,130
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	11,395	07/01/24	06/30/25	-	-	11,395	11,395	-	-	-	-	-	11,395
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	919,915	07/01/24	06/30/25	-	-	919,915	919,915	-	-	-	-	-	919,915
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-004	690	07/01/24	06/30/25	-	-	690	690	-	-	-	-	-	690
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	176,133	07/01/23	06/30/24	(8,976)	-	8,976	-	-	-	-	-	-	176,133
Reimbursed TPAF Social Security Contribution	25-495-034-5094-003	172,524	07/01/24	06/30/25	-	-	155,299	172,524	-	(17,225)	-	-	-	172,524
Total General Fund					(459,191)	-	2,286,307	2,169,869	-	(299,680)	-	-	43,073	2,796,217
State Department of Education														
Special Revenue Fund														
Local Recreation Improvement Grant	Unavailable	64,000	07/01/24	06/30/25	-	-	-	37,545	-	(37,545)	-	-	-	37,545
Preschool expansion aid	24-495-034-5120-086	356,688	07/01/23	06/30/24	189,917	-	-	189,917	-	-	-	-	-	356,688
Preschool expansion aid	25-495-034-5120-086	393,125	07/01/24	06/30/25	-	-	353,813	200,840	-	-	152,973	-	39,313	200,839
Total Special Revenue Fund					189,917	-	353,813	428,302	-	(37,545)	152,973	-	39,313	595,072
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	24-100-010-3350-023	2,434	7/1/2023	6/30/2024	(108)	-	108	-	-	-	-	-	-	2,434
State School Lunch Program	25-100-010-3350-023	3,044	7/1/2024	6/30/2025	-	-	2,741	3,044	-	(303)	-	-	-	3,044
Total Enterprise Fund					(108)	-	2,849	3,044	-	(303)	-	-	-	5,478
Total State Financial Assistance					$ (269,382)	$ -	$ 2,642,969	2,601,215	$ -	$ (337,528)	$152,973	$ -	$ 82,386	$ 3,396,767
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	25-495-034-5094-002	919,915	07/01/24	06/30/25				919,915						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	25-495-034-5094-004	11,395	07/01/24	06/30/25				11,395						
On-Behalf TPAF Pension Contribution - Postretirement Medical	25-495-034-5094-001	272,130	07/01/24	06/30/25				272,130						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	25-495-034-5094-004	690	07/01/24	06/30/25				690						
Total for State Financial Assistance - Major Program Determination								$ 1,397,085						

See independent auditors' report.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Franklin Township School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases are accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The Basic Financial Statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $7,176 for the general fund and ($33,961) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2025

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	$ -	$ 2,177,045	$ 2,177,045
Special revenue fund	135,305	393,070	528,375
Food service fund	49,049	3,044	52,093
Total awards and financial assistance	$ 184,354	$ 2,573,159	$ 2,757,513

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 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2025. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2025.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS - PART II

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	*Unmodified*
Internal Control Over Financial Reporting:	
1. Were material weakness(es) identified?	___ Yes _X_ No
2. Were significant deficiencies identified?	___ Yes _X_ No
Noncompliance material to Basic Financial Statements noted?	___ Yes _X_ No
Federal Awards	*Not Applicable*
Internal Control Over Major Programs:	
1. Were material weakness(es) identified?	___ Yes ___ No
2. Were significant deficiencies identified?	___ Yes ___ None reported
What was the type of auditors' report issued on compliance for major programs?	
Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?	___ Yes ___ No

Identification of Major Programs:

AL Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
Not Applicable	*Not Applicable*	*Not Applicable*

What was the dollar threshold used to distinguish between Type A and Type B programs?	
Did the auditee qualify as a low-risk auditee?	___ Yes ___ No

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs?	*$750,000*
Did the auditee qualify as a low-risk auditee?	*X* Yes ___ No
Internal Control Over Major Programs: 1. Were material weakness(es) identified?	___ Yes *X* No
2. Were there significant deficiencies identified that are not considered to be material weaknesses?	___ Yes *X* None reported
What was the type of auditors' report issued on compliance for major programs?	*Unmodified*
Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?	___ Yes *X* No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
	State Aid Public Cluster:
25-495-034-5120-089	*Special Education Categorical Aid*
25-495-034-5120-084	*Security Aid*
25-495-034-5120-085	*Adjustment Aid*
25-495-034-5120-086	*Preschool Expansion Aid*

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2025.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2025

Status of Prior Year Findings

There were no prior year findings.