

Annual Comprehensive Financial Report

of the

Franklin Township School District

County of Somerset

Somerset, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

**Franklin Township School District
Business Office**

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INTRODUCTORY SECTION

Franklin Township Board of Education

2301 Route 27

Somerset NJ 08873

STEPHEN FRIED
BUSINESS ADMINISTRATOR

Telephone: 732-873-2400
Fax: 732-873-8416

February 2, 2026

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

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Franklin Township Public School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Franklin Township Public School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2025, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

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

REPORTING ENTITY AND ITS SERVICES

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

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

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

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

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

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>% CHANGE</u>
2024-2025	7,975	-0.85%
2023-2024	8,043	-0.50%
2022-2023	8,088	1.88%
2021-2022	7,939	0.04%
2020-2021	7,936	-0.51%
2019-2020	7,977	2.24%
2018-2019	7,802	7.72%
2017-2018	7,243	-7.37%
2016-2017	7,819	3.43%
2015-2016	7,560	-2.85%

ECONOMIC CONDITION AND OUTLOOK

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

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

MAJOR INITIATIVES

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

INTERNAL ACCOUNTING CONTROLS

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

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital

projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

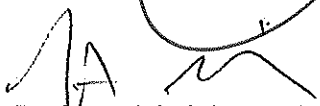
ACKNOWLEDGEMENTS

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

Respectfully submitted,



Superintendent



Business Administrator/Board Secretary

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

**ROSTER OF OFFICIALS
JUNE 30, 2025**

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Nancy Lacorte	2026
Ardaman Singh, President	2026
Jimmie Parker	2027
Laurie Merris	2028
Dr. Dennis Hopkins, Vice President	2028
Nicolas DiMeglio	2028
Walter Jackson	2026
Erika Inocencio	2027
William Grippo	2027

Other Officials

Dr. John Ravally, Superintendent
Stephen Fried, School Business Administrator
Brian Bonanno, Asst. Supt. For Business/Board Secretary
John Calavano, Treasurer

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

CONSULTANTS AND ADVISORS

ARCHITECTS

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

AUDIT FIRM

Suplee, Clooney & Company, LLC
308 East Broad Street
Westfield, NJ 07090

ATTORNEY

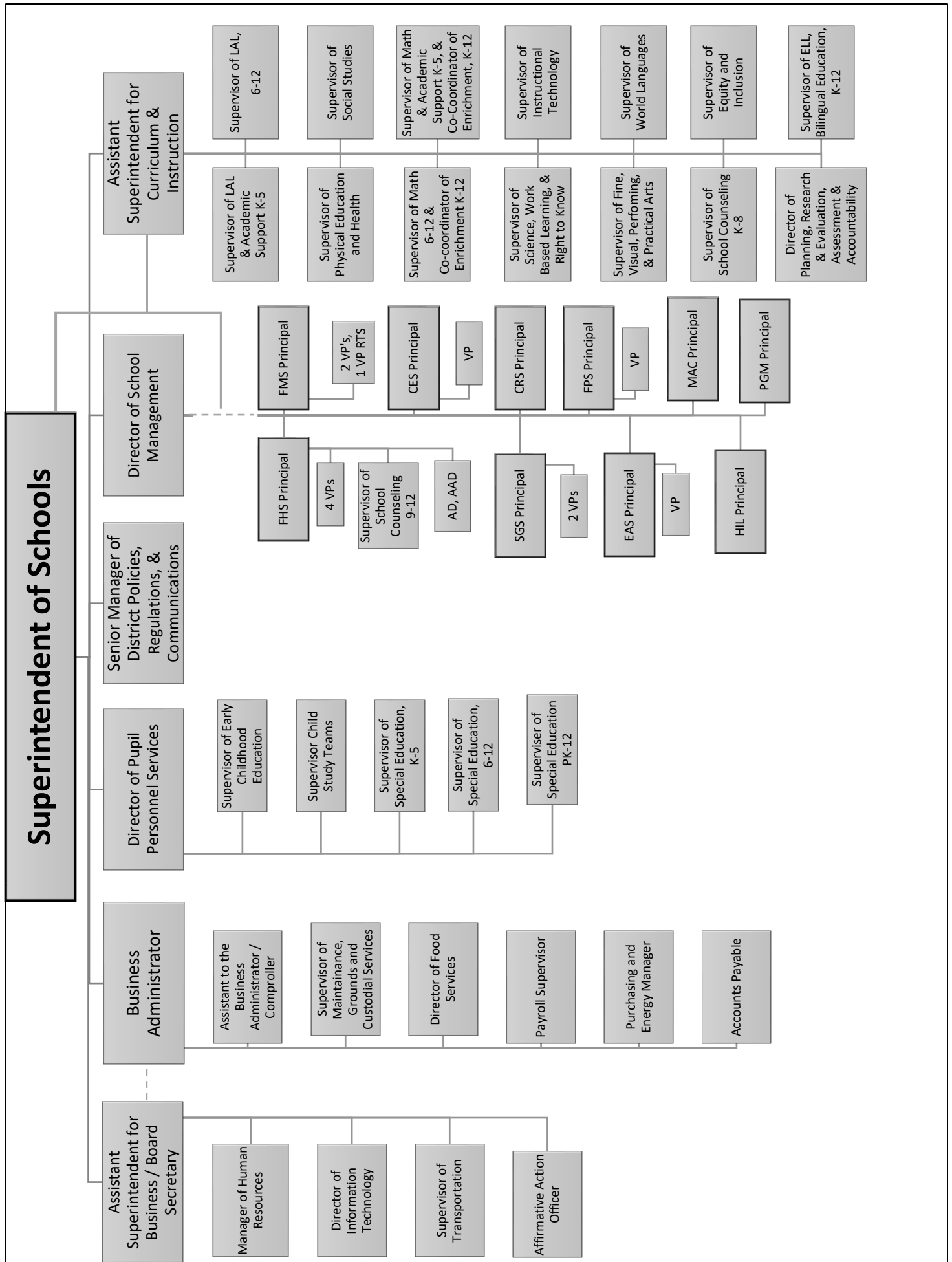
Parker McCay, P.A.
Building Four East, Suite 102A
1009 Lenox Drive
Lawrenceville, NJ 08648

Capehard & Scatchard, P.A.
8000 Midlantic Dr.
Mt. Laurel, NJ 08054

OFFICIAL DEPOSITORY

First Bank
225 Demott Lane
Somerset, NJ 08873

TD Bank
3221 Route 27
Franklin Park, NJ 08823



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Franklin Township School District, in the County of Somerset, State of New Jersey (the "District") 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 and each major fund 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 Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 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 the Uniform Guidance, the State of New Jersey OMB Circular 15-08 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.

SUPLEE, CLOONEY & COMPANY LLC

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

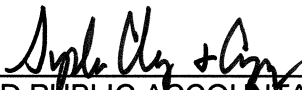
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

SUPLEE, CLOONEY & COMPANY LLC

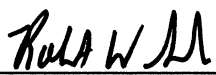
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 February 2, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 2, 2026

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REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

The Management's Discussion and Analysis of the Franklin Township School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2025. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A. In fiscal year 2025 the District implemented GASB Statement No. 101-Compensated Absences.

Financial Highlights

- Revenue from governmental activities accounted for \$232,040,695.88 of school district revenue. Revenue from business-type activities accounted for \$4,275,220.70 of school district revenue.
- The District's total net position is \$31,919,905.62.

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds and Proprietary Funds.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services. The District also operates Internal Service Funds for its health and workers compensation insurance.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

The District-wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net positions includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net positions and how they have changed. Net positions, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. The District also operates two internal service funds. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains two financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps 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 government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Financial Analysis of the District as a Whole

The District's combined net positions have decreased from the 2023-2024 fiscal year. The net positions from governmental activities decreased \$3,487,879.48. Net positions from business-type activities decreased \$1,229,322.74. Table A-1 below reflects the District's net positions as a whole. Table A-2 reflects the changes in net positions from operating results.

**Table A-1
Condensed Statement of Net Positions**

	Governmental Activities		Business-Type Activities		Total School District		Percent
		(As restated)				(As restated)	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	Change
Current and							
Other Assets	\$21,709,337	\$33,824,380	\$3,495,229	\$4,923,722	\$25,204,566	\$38,748,103	-35.0%
Capital Assets	116,544,557	116,280,088	605,934	437,614	117,150,490	116,717,702	0.4%
Total Assets	138,253,893	150,104,468	4,101,163	5,361,336	142,355,056	155,465,805	-8.4%
Deferred Outflows							
Refunding Bonds	2,076,273	2,283,901			2,076,273	2,283,901	-9.1%
Pension Related	6,270,833	7,515,468	80,020	95,903	6,350,853	7,611,371	-16.6%
Total Deferred Outflows	8,347,106	9,799,368	80,020	95,903	8,427,126	9,895,271	-14.8%
Long-Term Liabilities	89,955,191	102,448,285	376,431	418,127	90,331,622	102,866,412	-12.2%
Short-Term Liabilities	23,047,911	19,902,935	73,998	73,079	23,121,910	19,976,014	15.7%
Total Liabilities	113,003,103	122,351,220	450,429	491,206	113,453,532	122,842,426	-7.6%
Deferred Inflows							
Pension Related	5,340,595	5,807,435	68,150	74,107	5,408,745	5,881,542	-8.0%
Total Deferred Inflows	5,340,595	5,807,435	68,150	74,107	5,408,745	5,881,542	-8.0%
Net Positions:							
Net Investment In Capital Assets	60,837,763	53,673,370	605,934	437,614	61,443,697	54,110,984	13.6%
Restricted	8,053,185	13,140,032			8,053,185	13,140,032	-38.7%
Unrestricted (Deficit)	(40,633,646)	(35,068,221)	3,056,670	4,454,312	(37,576,977)	(30,613,908)	22.7%
Total Net Positions	\$28,257,302	\$31,745,181	\$3,662,604	\$4,891,926	\$31,919,906	\$36,637,108	-12.9%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

**Table A-2
Changes in Net Positions from Operating Results**

	<u>FY 2025</u>	<u>FY 2024</u>
Revenue:		
Program Revenue:		
Charges for Services	\$1,214,060.81	\$1,572,217.50
Operating Grants and Contributions	35,737,006.53	40,411,670.89
General Revenue:		
Property Taxes	169,072,685.00	164,387,049.00
Federal and State Aid	27,165,309.43	25,269,563.03
Other	<u>3,126,854.81</u>	<u>2,395,759.63</u>
Total Revenue	<u>236,315,916.58</u>	<u>234,036,260.05</u>
Expenses/Indirect Allocations:		
Instruction	136,586,442.84	135,212,101.06
Student & Instructional Related Services	43,068,714.36	37,027,598.79
Administrative and Business	17,709,466.45	16,697,391.06
Maintenance & Operations	17,803,966.21	17,646,929.77
Transportation	19,317,442.36	19,344,019.24
Other	<u>6,547,086.59</u>	<u>5,651,498.14</u>
Total Expenses	<u>241,033,118.81</u>	<u>231,579,538.06</u>
Increase/(Decrease) in Net Positions	<u><u>(\$4,717,202.23)</u></u>	<u><u>\$2,456,721.99</u></u>

Sources of Revenue for Fiscal Year 2025

The District's total revenue for the 2024-2025 school year was \$236,315,916.58 as reflected in Table A-3 below. Property taxes accounted for 71.6 percent of the total revenue with the other 28.4 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

**Table A-3
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2025</u>		<u>FY 2024</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$169,072,685.00	71.6%	\$164,387,049.00	70.2%
Operating Grants & Contributions	35,737,006.53	15.1%	40,411,670.89	17.3%
Other Sources	3,126,854.81	1.3%	2,395,759.63	1.0%
Federal & State Aid				
Unrestricted	27,165,309.43	11.5%	25,269,563.03	10.8%
Charges for Services	1,214,060.81	0.5%	1,572,217.50	0.7%
	<u>\$236,315,916.58</u>	<u>100.0%</u>	<u>\$234,036,260.05</u>	<u>100.0%</u>

Expenses & Indirect Costs Allocated for the Fiscal Year 2025

The total expenditures for the 2024-2025 fiscal year for all programs and services were \$241,033,118.81. Table A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through eight, which accounts for 82.5 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds.

**Table A-4
Expenses & Indirect Costs Allocated**

<u>Expense Category</u>	<u>FY 2025</u>		<u>FY 2024</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$136,586,442.84	56.7%	\$135,212,101.06	58.4%
Student/Instruct Related				
Services	43,068,714.36	17.9%	37,027,598.79	16.0%
Administrative and Business	17,709,466.45	7.3%	16,697,391.06	7.2%
Maintenance & Operations	17,803,966.21	7.4%	17,646,929.77	7.6%
Transportation	19,317,442.36	8.0%	19,344,019.24	8.4%
Other	6,547,086.59	2.7%	5,651,498.14	2.4%
	<u>\$241,033,118.81</u>	<u>100.0%</u>	<u>\$231,579,538.06</u>	<u>100.0%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Table A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table A-5
Net Cost of Activities**

<u>Function/Program</u>	<u>FY 2025</u>		<u>FY 2024</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$117,672,731.58	57.6%	\$110,440,234.72	58.2%
Student/Instruct Related Services	30,880,578.22	15.1%	25,717,660.29	13.6%
Administrative and Business	16,590,955.35	8.1%	15,625,126.25	8.2%
Maintenance & Operations	17,283,556.82	8.5%	17,393,527.10	9.2%
Transportation	19,276,782.30	9.4%	19,324,537.90	10.2%
Other	2,377,447.19	1.2%	1,094,563.42	0.6%
	<u>\$204,082,051.46</u>	<u>100.0%</u>	<u>\$189,595,649.68</u>	<u>100.0%</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Capital Assets

Table A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table A-6
Capital Assets (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		Total Percent Change
	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>	
Land	\$20,309,556	\$20,309,556			\$20,309,556	\$20,309,556	0.0%
Construction in Progress	\$3,130,452	\$679,337			\$3,130,452	\$679,337	0.0%
Building & Improvements	91,865,328	94,038,295			91,865,328	94,038,295	-2.3%
Furniture & Equipment	<u>1,239,220</u>	<u>1,252,900</u>	<u>\$605,934</u>	<u>\$437,614</u>	<u>1,845,154</u>	<u>1,690,514</u>	<u>9.1%</u>
Total Assets	<u>\$116,544,557</u>	<u>\$116,280,088</u>	<u>\$605,934</u>	<u>\$437,614</u>	<u>\$117,150,490</u>	<u>\$116,717,702</u>	<u>0.4%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Debt Administration

At June 30, 2025 the District had \$89,955,191.15 of outstanding long-term debt, consisting of compensated absences, installment purchases, bonds, claims and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table A-7
Outstanding Long-term Debt-Governmental Activities**

	<u>Total School Debt</u>		<u>Total</u>
	<u>FY 2025</u>	<u>FY 2024</u>	<u>Percentage</u>
			<u>Change</u>
Installment Purchase			
Contracts	\$6,398,066.64	\$6,775,618.21	-5.57%
Compensated Absences	2,673,059.51	2,966,566.26	-9.89%
Bonds Payable	51,385,000.00	58,115,000.00	-11.58%
Claims Payable		1,824,508.00	-100.00%
Net Pension Liability	29,499,065.00	32,766,593.00	-9.97%
	<u>\$89,955,191.15</u>	<u>\$102,448,285.47</u>	<u>-12.19%</u>

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Board Secretary's office, Franklin Township School District, 2301 Route 27, Somerset, New Jersey.

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BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2025.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net positions 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 POSITIONS
JUNE 30, 2025

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 6,590,585.87	\$ 2,756,544.86	\$ 9,347,130.73
Receivables, net	7,282,285.32	646,275.20	7,928,560.52
Due from other funds		11,767.00	11,767.00
Inventory		80,641.94	80,641.94
Restricted assets:			
Restricted cash and cash equivalents	7,836,465.31		7,836,465.31
Capital assets:			
Non Depreciable	20,309,556.00		20,309,556.00
Depreciable, net	96,235,000.53	605,933.95	96,840,934.48
Total assets	<u>\$ 138,253,893.03</u>	<u>\$ 4,101,162.95</u>	<u>\$ 142,355,055.98</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to pensions	\$ 6,270,833.00	\$ 80,020.00	\$ 6,350,853.00
Deferred amount on refunding bonds	2,076,273.34		2,076,273.34
Total deferred outflow of resources	<u>\$ 8,347,106.34</u>	<u>\$ 80,020.00</u>	<u>\$ 8,427,126.34</u>
LIABILITIES			
Accounts payable	\$ 3,901,927.97	\$	\$ 3,901,927.97
Interfunds payable	11,767.00		11,767.00
Payable to state government	71,861.00		71,861.00
Unearned revenue	6,133,176.59	73,998.20	6,207,174.79
Other liabilities	7,896,914.00		7,896,914.00
Accrued interest payable	413,420.13		413,420.13
Payroll deductions & withholdings payable	4,464,994.04		4,464,994.04
Unemployment compensation claims payable	153,850.62		153,850.62
Noncurrent liabilities:			
Due within one year:			
Bonds & installment purchases payable	7,799,988.11		7,799,988.11
Due beyond one year:			
Bonds & installment purchases payable	49,983,078.53		49,983,078.53
Compensated absences payable	2,673,059.51		2,673,059.51
Net pension liability	29,499,065.00	376,431.00	29,875,496.00
Total liabilities	<u>\$ 113,003,102.50</u>	<u>\$ 450,429.20</u>	<u>\$ 113,453,531.70</u>
DEFERRED INFLOW OF RESOURCES			
Related to pensions	\$ 5,340,595.00	\$ 68,150.00	\$ 5,408,745.00
Total deferred inflow of resources	<u>\$ 5,340,595.00</u>	<u>\$ 68,150.00</u>	<u>\$ 5,408,745.00</u>
NET POSITION			
Net investment in capital assets	\$ 60,837,763.23	\$ 605,933.95	\$ 61,443,697.18
Restricted for:			
Special revenue (Deficit)	(652,202.75)		(652,202.75)
Capital projects	908,446.10		908,446.10
Debt service (Deficit)	(408,381.45)		(408,381.45)
Other purposes	8,205,323.16		8,205,323.16
Unrestricted (Deficit)	<u>(40,633,646.42)</u>	<u>3,056,669.80</u>	<u>(37,576,976.62)</u>
Total net positions	<u>\$ 28,257,301.87</u>	<u>\$ 3,662,603.75</u>	<u>\$ 31,919,905.62</u>

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

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

MAJOR FUND FINANCIAL STATEMENTS
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The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS AND OTHER DEBITS:					
Assets:					
Cash and cash equivalents	\$ 9,218,158.00	\$ 6,694,255.00	\$	\$ 5,038.68	\$ 15,917,451.68
Accounts receivable:					
State	4,125,788.44	334.00	2,440,014.00		6,566,136.44
Federal		327,000.34			327,000.34
Other	149,561.20	239,587.34			389,148.54
Interfunds receivable	1,218,910.76				1,218,910.76
Total assets	\$ 14,712,418.40	\$ 7,261,176.68	\$ 2,440,014.00	\$ 5,038.68	\$ 24,418,647.76
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Cash deficit	\$	\$	\$ 1,490,400.50	\$	\$ 1,490,400.50
Accounts payable	337,365.49	527,254.55	3,343.93		867,963.97
Payable to state government		71,861.00			71,861.00
Interfunds payable	11,767.00	1,218,910.76			1,230,677.76
Payroll deductions & withholdings payable	4,464,994.04				4,464,994.04
Unemployment compensation claims payable	153,850.62				153,850.62
Unearned revenue		6,095,353.12	37,823.47		6,133,176.59
Total liabilities	\$ 4,967,977.15	\$ 7,913,379.43	\$ 1,531,567.90	\$	\$ 14,412,924.48
Fund balances:					
Restricted for:					
Capital reserve account	\$ 3,263,845.55	\$	\$	\$	\$ 3,263,845.55
Emergency reserve account	698,858.00				698,858.00
Maintenance reserve account	1,038,216.10				1,038,216.10
Unemployment	1,504,403.51				1,504,403.51
Student activities		422,696.05			422,696.05
Capital Projects Fund			908,446.10		908,446.10
Assigned for:					
Year-end encumbrances	1,526,513.17				1,526,513.17
Designated for subsequent year expenditures	1,700,000.00			5,038.00	1,705,038.00
Unassigned					
General Fund	12,604.92				12,604.92
Special Revenue Fund (Deficit)		(1,074,898.80)			(1,074,898.80)
Debt Service Fund				0.68	0.68
Total fund balances	\$ 9,744,441.25	\$ (652,202.75)	\$ 908,446.10	\$ 5,038.68	\$ 10,005,723.28
Total liabilities and fund balances	\$ 14,712,418.40	\$ 7,261,176.68	\$ 2,440,014.00	\$ 5,038.68	\$ 24,418,647.76

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances (Brought Forward)		\$ 10,005,723.28
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 219,028,361.53	
Accumulated Depreciation	<u>(102,483,805.00)</u>	
		116,544,556.53
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	\$ (29,499,065.00)	
Bonds payable	(51,385,000.00)	
Deferred amount on refunding bonds, net	2,076,273.34	
Financed purchase agreements	(6,398,066.64)	
Claims	(7,896,914.00)	
Compensated absences payable	<u>(2,673,059.51)</u>	
		(95,775,831.81)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Deferred outflows:		
Pension related		6,270,833.00
Deferred inflows:		
Pension related		(5,340,595.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Account payable - pension related	\$ (3,033,964.00)	
Accrued interest payable	<u>(413,420.13)</u>	
		<u>(3,447,384.13)</u>
Net Positions of Governmental Activities		<u>\$ 28,257,301.87</u>

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
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	\$ 162,114,985.00	\$	\$	\$ 6,957,700.00	\$ 169,072,685.00
Tuition	339,960.38				339,960.38
Miscellaneous revenues	470,139.54	2,551,133.99			3,021,273.53
Total revenues-local sources	\$ 162,925,084.92	\$ 2,551,133.99	\$	\$ 6,957,700.00	\$ 172,433,918.91
State sources	\$ 56,713,645.33	\$ 11,934,620.65	\$ 971,646.53	\$ 857,483.00	\$ 70,477,395.51
Federal sources	125,254.10	4,626,086.38			4,751,340.48
Total revenues	\$ 219,763,984.35	\$ 19,111,841.02	\$ 971,646.53	\$ 7,815,183.00	\$ 247,662,654.90
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	\$ 37,707,826.70	\$	\$	\$	\$ 37,707,826.70
Special education	14,086,122.43	6,638,718.01			20,724,840.44
Other instruction	31,368,693.49				31,368,693.49
Support services:					
Tuition	6,653,837.28	1,549,565.05			8,203,402.33
Student and instruction related services	22,447,315.61	11,637,591.57			34,084,907.18
General administrative services	2,253,343.85				2,253,343.85
School administrative services	5,812,306.29				5,812,306.29
Central services	1,986,299.68				1,986,299.68
Administration information technology	1,015,298.86				1,015,298.86
Plant operations and maintenance	13,974,644.70				13,974,644.70
Student transportation services	18,629,117.33				18,629,117.33
Employee benefits	66,614,639.36				66,614,639.36
Capital outlay	3,740,821.22		2,451,115.30		6,191,936.52
Debt service:					
Principal				6,730,000.00	6,730,000.00
Interest				1,085,182.32	1,085,182.32
Total expenditures	\$ 226,290,266.80	\$ 19,825,874.63	\$ 2,451,115.30	\$ 7,815,182.32	\$ 256,382,439.05
Excess (deficiency) of revenues over (under) expenditures	\$ (6,526,282.45)	\$ (714,033.61)	\$ (1,479,468.77)	\$ 0.68	\$ (8,719,784.15)
Other financing sources (uses):					
Proceeds from installment purchases	\$ 1,224,682.99	\$	\$	\$	\$ 1,224,682.99
Local contrib.-trans to special rev-inclusion	(629,772.00)	629,772.00			
Total financing sources(uses):	\$ 594,910.99	\$ 629,772.00	\$	\$	\$ 1,224,682.99
Net change in fund balances	\$ (5,931,371.46)	\$ (84,261.61)	\$ (1,479,468.77)	\$ 0.68	\$ (7,495,101.16)
Fund balances, July 1, 2024 (Deficit)	\$ 15,675,812.71	\$ (567,941.14)	\$ 2,387,914.87	\$ 5,038.00	\$ 17,500,824.44
Fund balances, June 30, 2025 (Deficit)	\$ 9,744,441.25	\$ (652,202.75)	\$ 908,446.10	\$ 5,038.68	\$ 10,005,723.28

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds (from B-2) \$ (7,495,101.16)

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

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

Depreciation expense	\$ (4,535,818.00)	
Capital outlays-Capitalized (net)	4,800,286.53	
		264,468.53

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

Paid - principal on bond		6,730,000.00
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Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Deferred Amount on Refunding Bond	(207,627.33)	
Proceeds from financed purchase agreements	(1,224,682.99)	
		(1,432,310.32)

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

Payment of financed purchase agreements		1,602,234.56
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

42,639.16

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	2,959,992.00	
Less: Pension expense	(380,903.00)	
		2,579,089.00

In the statement of activities, certain expenses, e.g., compensated absences (vacations) and claims and judgments for self insurance claims are measured by the amounts earned or incurred during the year. In governmental funds, however, expenditures or 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 (+).

Net increase in compensated absences	293,506.75	
Net increase in claims and judgments for self insurance	(6,072,406.00)	
		(5,778,899.25)

Change in net assets of governmental activities		\$ <u>(3,487,879.48)</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

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OTHER FUNDS

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE FUND	TOTALS	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 2,756,544.86	\$ 2,756,544.86	\$
Accounts receivable:			
Federal	540,860.16	540,860.16	
State	41,719.53	41,719.53	
Other	63,695.51	63,695.51	
Interfunds receivable	11,767.00	11,767.00	
Inventories	80,641.94	80,641.94	
Total current assets	\$ 3,495,229.00	\$ 3,495,229.00	\$
Noncurrent assets:			
Furniture, machinery and equipment	\$ 1,843,853.95	\$ 1,843,853.95	\$
Less accumulated depreciation	(1,237,920.00)	(1,237,920.00)	
Total noncurrent assets	\$ 605,933.95	\$ 605,933.95	\$
Total assets	\$ 4,101,162.95	\$ 4,101,162.95	\$
DEFERRED OUTFLOW OF RESOURCES:			
Related to pensions	\$ 80,020.00	\$ 80,020.00	\$
Total deferred outflow of resources	\$ 80,020.00	\$ 80,020.00	\$
LIABILITIES:			
Current liabilities:			
Unearned revenue	\$ 73,998.20	\$ 73,998.20	\$
Accrued liabilities			7,896,914.00
Noncurrent liabilities:			
Net pension liability	376,431.00	376,431.00	
Total liabilities	\$ 450,429.20	\$ 450,429.20	\$ 7,896,914.00
DEFERRED INFLOW OF RESOURCES:			
Related to pensions	\$ 68,150.00	\$ 68,150.00	\$
Total deferred inflow of resources	\$ 68,150.00	\$ 68,150.00	\$
NET POSITIONS:			
Net investment in capital assets	\$ 605,933.95	\$ 605,933.95	\$
Unrestricted (Deficit)	3,056,669.80	3,056,669.80	(7,896,914.00)
Total net positions	\$ 3,662,603.75	\$ 3,662,603.75	\$ (7,896,914.00)

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE FUND	TOTALS	
OPERATING REVENUES:			
Charges for services:			
Daily sales - reimbursable programs	\$ 795,431.39	\$ 795,431.39	\$
Daily sales - non-reimbursable programs	78,669.04	78,669.04	
Services provided to other funds			34,472,575.89
Rebates			1,597,631.03
Total operating revenues	\$ 874,100.43	\$ 874,100.43	\$ 36,070,206.92
OPERATING EXPENSES:			
Cost of sales - reimbursable programs	\$ 2,064,773.42	\$ 2,064,773.42	\$
Cost of sales - non-reimbursable programs	204,208.36	204,208.36	
Salaries	2,504,566.85	2,504,566.85	
Employee Benefits/Taxes	426,574.54	426,574.54	43,131,801.88
Purchased Professional Technical Services	8,640.78	8,640.78	
Purchased Property Services	225,279.54	225,279.54	
Other Purchased Services	4,390.48	4,390.48	
Other	4,665.47	4,665.47	835,319.04
Depreciation	61,444.00	61,444.00	
Total operating expenses	\$ 5,504,543.44	\$ 5,504,543.44	\$ 43,967,120.92
Operating income (loss)	\$ (4,630,443.01)	\$ (4,630,443.01)	\$ (7,896,914.00)
NONOPERATING REVENUES:			
State sources			
State school lunch program	\$ 64,389.54	\$ 64,389.54	\$
State school lunch program-NJEIE	67,039.18	67,039.18	
State school breakfast program	44,757.20	44,757.20	
State school breakfast program- NJEIE	26,132.45	26,132.45	
Federal sources			
National school lunch program	1,858,694.94	1,858,694.94	
National school breakfast program	777,638.00	777,638.00	
National food distribution commodities	418,982.99	418,982.99	
Child and Adult Care Food Program	11,101.31	11,101.31	
P-EBT Administrative Cost			
Local Food for Schools Cooperative Program	26,803.36	26,803.36	
Interest earned	105,581.30	105,581.30	
Total nonoperating revenues	\$ 3,401,120.27	\$ 3,401,120.27	\$
Net income (loss)	\$ (1,229,322.74)	\$ (1,229,322.74)	\$ (7,896,914.00)
Total net positions - beginning (deficit)	\$ 4,891,926.49	\$ 4,891,926.49	\$
Total net positions - ending (deficit)	\$ 3,662,603.75	\$ 3,662,603.75	\$ (7,896,914.00)

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND		GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	FOOD SERVICE FUND	TOTALS	
Cash flows from operating activities:			
Receipts from customers	\$ 873,956.99	\$ 873,956.99	\$ 36,090,206.92
Payments to employees	(2,962,911.39)	(2,962,911.39)	
Payments to employee benefits			(36,090,206.92)
Payment to suppliers	(2,520,722.39)	(2,520,722.39)	
Net cash provided (used for) by operating activities	\$ (4,609,676.79)	\$ (4,609,676.79)	\$
Cash flows from noncapital financing activities:			
Federal sources	\$ 2,722,559.44	\$ 2,722,559.44	\$
State sources	171,987.96	171,987.96	
Operating subsidies and transfers to other funds			
Net cash provided by (used for) noncapital financing activities	\$ 2,894,547.40	\$ 2,894,547.40	\$
Cash flows from investing activities:			
Interest Earned	\$ 105,581.30	\$ 105,581.30	\$
Net cash provided (used) by investing activities	\$ 105,581.30	\$ 105,581.30	\$
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (229,763.95)	\$ (229,763.95)	\$
Net cash provided by (used for) capital and related financing activities	\$ (229,763.95)	\$ (229,763.95)	\$
Net increase (decrease) in cash and cash equivalents	\$ (1,839,312.04)	\$ (1,839,312.04)	\$
Cash and cash equivalents - July 1	\$ 4,595,856.90	\$ 4,595,856.90	\$
Cash and cash equivalents - June 30	\$ 2,756,544.86	\$ 2,756,544.86	\$
Operating income (loss)	\$ (4,630,443.01)	\$ (4,630,443.01)	\$ (7,896,914.00)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	61,444.00	61,444.00	
Change in assets and liabilities:			
(Increase) Decrease in operating accounts receivable	(286.09)	(286.09)	
(Increase) Decrease in inventory	(7,609.87)	(7,609.87)	
Increase/(Decrease) in accounts payable	(1,154.47)	(1,154.47)	7,896,914.00
Increase/(Decrease) in Net Pension Liability	(41,696.00)	(41,696.00)	
(Increase) Decrease in other accounts receivable			
Increase/(Decrease) in Deferred Inflows of Resources	(5,957.00)	(5,957.00)	
(Increase)/Decrease in Deferred Outflows of Resources	15,883.00	15,883.00	
Increase (Decrease) in unearned revenue	142.65	142.65	
Net cash provided (used) by operating activities	\$ (4,609,676.79)	\$ (4,609,676.79)	\$

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Franklin Township School District is a Type II District located in Somerset County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

Special Revenue Fund – The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the State to offset the cost of approved capital projects.

Debt Service Fund – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

Internal Service Funds These funds have been established to account for the financing of the self-insurance of the health plan, prescription plan and dental plan and the workers compensation plan. Services are provided on a cost-reimbursement basis.

Basis of Accounting - Measurement Focus

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under installment purchase contracts are reported as other financing sources.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - Measurement Focus (Continued)

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

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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

Formal budgetary integration into the accounting system is employed as a management control device during the 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 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 records.

Encumbrance Accounting

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

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2016, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District accounts for compensated absences (e.g., unused sick and vacation leave) in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences." This statement was implemented for the fiscal year ended June 30, 2025, replacing the guidance previously provided by GASB Statement No. 16. GASB 101 requires that a liability be recognized for leave that has been earned in exchange for services rendered and that has not yet been used, if (1) the leave is usable for time off or other compensation, and (2) it is more likely than not that the leave will be used or paid. This standard expands the recognition criteria to include certain types of leave that may not have previously met the vesting or accumulation requirements under GASB 16. District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and may be eligible for payment upon retirement, subject to negotiated agreements and years of service. The compensated absences liability is calculated based on leave balances that are expected to be used or paid, consistent with the "more likely than not" threshold established under GASB 101. The District's calculation incorporates both the probability of leave usage and payout eligibility under existing employment agreements. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact. The District reports a portion of fund balance for leases that are not available for appropriation because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not spendable resource.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve, Excess Surplus, Unemployment, and Student Activity fund balances as Restricted Fund Balance.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

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 amount 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. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an 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.

Revenues Exchange and Non-Exchange Transactions

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

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

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one items that qualifies in this category, deferred amounts related to pensions.

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right –to-use assets on the statements of net position.

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Franklin Township School District had the following cash and cash equivalents at June 30, 2025:

	<u>Cash in</u>	<u>Reconciling</u>	<u>Reported</u>
	<u>Bank</u>	<u>Items</u>	<u>Total</u>
General Fund	\$ 16,408,759.29	\$ (7,190,601.29)	\$ 9,218,158.00
Special Revenue Fund	6,720,309.20	(26,054.20)	6,694,255.00
Capital Projects Fund (Deficit)	(1,490,400.50)		(1,490,400.50)
Debt Service Fund	5,038.68		5,038.68
Enterprise Fund	3,452,355.78	(695,810.92)	2,756,544.86
	<u>\$ 25,096,062.45</u>	<u>(\$7,912,466.41)</u>	<u>\$ 17,183,596.04</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2025, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$24,596,062.45 was covered under the provisions of NJGUDPA.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2025, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 20,309,556.00	\$	\$	\$ 20,309,556.00
Construction in progress	679,337.00	2,451,115.30		3,130,452.30
Total capital assets that are not depreciated	<u>\$ 20,988,893.00</u>	<u>\$ 2,451,115.30</u>	<u>\$</u>	<u>\$ 23,440,008.30</u>
Capital assets being depreciated:				
Building and building improvements	\$ 178,007,815.00	\$ 2,064,409.43	\$	\$ 180,072,224.43
Machinery and equipment	15,294,455.00	284,761.80	(63,088.00)	15,516,128.80
Total capital assets being depreciated	<u>\$ 193,302,270.00</u>	<u>\$ 2,349,171.23</u>	<u>\$ (63,088.00)</u>	<u>\$ 195,588,353.23</u>
Total gross assets	<u>\$ 214,291,163.00</u>	<u>\$ 4,800,286.53</u>	<u>\$ (63,088.00)</u>	<u>\$ 219,028,361.53</u>
Less: accumulated depreciation for:				
Building and building improvements	\$ (83,969,520.00)	\$ (4,237,376.00)	\$	\$ (88,206,896.00)
Machinery and equipment	(14,041,555.00)	(298,442.00)	63,088.00	(14,276,909.00)
	<u>\$ (98,011,075.00)</u>	<u>\$ (4,535,818.00)</u>	<u>\$ 63,088.00</u>	<u>\$ (102,483,805.00)</u>
Governmental activities capital assets, net	<u>\$ 116,280,088.00</u>	<u>\$ 264,468.53</u>	<u>\$</u>	<u>\$ 116,544,556.53</u>
Business type activities:				
Machinery and equipment	\$ 1,614,090.00	\$ 229,763.95	\$	\$ 1,843,853.95
Less: accumulated depreciation	(1,176,476.00)	(61,444.00)		(1,237,920.00)
Proprietary fund capital assets, net	<u>\$ 437,614.00</u>	<u>\$ 168,319.95</u>	<u>\$</u>	<u>\$ 605,933.95</u>
Allocation of Depreciation:				
Regular Instruction	\$	453,581.80		
Special Instruction		453,581.80		
Other Instruction		453,581.80		
Student & Instruction Related Services		453,581.80		
General Administrative Services		453,581.80		
School Administrative Services		453,581.80		
Central Services		453,581.80		
Information Technology		453,581.80		
Plant, Operations & Maintenance		453,581.80		
Pupil Transportation		453,581.80		
	<u>\$</u>	<u>4,535,818.00</u>		

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2025, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2025.

Governmental Funds:

	Balance June 30, <u>2024</u> (as restated)	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2025</u>	Amounts due Within <u>one year</u>
Compensated Absences	\$2,966,566		\$293,507 *	\$2,673,059	
Claims Payable	1,824,508		1,824,508		
Bonds Payable	58,115,000		6,730,000	51,385,000	\$6,735,000
Installment Purchase					
Contracts Payable	6,775,619	\$1,224,683	1,602,235	6,398,067	1,064,988
Net Pension Liability	32,766,593		3,267,528	29,499,065	
Total	<u>\$102,448,286</u>	<u>\$1,224,683</u>	<u>\$13,717,778</u>	<u>\$89,955,191</u>	<u>\$7,799,988</u>

*In accordance with GASB Statement No. 101, the change in compensated absences is presented on a net basis.

Proprietary Funds:

	Balance June 30, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2025</u>	Amounts due Within <u>one year</u>
Net Pension Liability	<u>\$418,127</u>		<u>\$41,696</u>	<u>\$376,431</u>	

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2025, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

Calendar Year

2024	\$15,191,389,763
2023	14,340,058,308
2022	13,418,238,386
	<u>\$42,949,686,457</u>
Average Equalized Valuation of Taxable Property	\$14,316,562,152
Debt Limit (4% (a) of average equalization value)	572,662,486
Total Net Debt Applicable to Limit	<u>66,511,474</u>
Legal Debt Margin	<u><u>\$506,151,012</u></u>

Installment Purchase Contracts Payable

The District has entered into various installment purchase contracts. The following is a schedule of the future minimum payments under these contracts.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY 2026	\$1,064,988.11	\$183,031.63	\$1,248,019.74
FY 2027	815,832.38	143,442.99	959,275.37
FY 2028	785,722.02	109,422.57	895,144.59
FY 2029	456,523.66	96,224.92	552,748.58
FY 2030	478,000.47	83,398.93	561,399.40
FY 2031	498,000.00	69,993.57	567,993.57
FY 2032	525,000.00	55,942.66	580,942.66
FY 2033	557,000.00	41,081.39	598,081.39
FY 2034	593,000.00	10,246.14	603,246.14
FY 2035	624,000.00	8,570.64	632,570.64
	<u>\$6,398,066.64</u>	<u>\$801,355.44</u>	<u>\$7,199,422.08</u>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2025, including interest payments, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$6,735,000	\$965,888	\$7,700,888
2027	6,750,000	829,839	7,579,839
2028	4,680,000	724,896	5,404,896
2029	4,755,000	654,790	5,409,790
2030	4,845,000	577,616	5,422,616
2031	4,840,000	494,137	5,334,137
2032	4,780,000	405,903	5,185,903
2033	4,725,000	310,160	5,035,160
2034	4,665,000	210,793	4,875,793
2034	<u>4,610,000</u>	<u>107,090</u>	<u>4,717,090</u>
	<u><u>\$51,385,000</u></u>	<u><u>\$5,281,112</u></u>	<u><u>\$56,666,112</u></u>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: PENSION PLANS

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

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

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

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 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.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. As of July 1, 2018, PERS and TPAF provide for employee contributions of 7.50% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2025	\$2,991,762.00	100.00%	\$2,991,762.00
2024	3,062,078.00	100.00%	3,062,078.00
2023	2,578,884.00	100.00%	2,578,884.00

During the fiscal years ended June 30, 2025, 2024, and 2023, the State of New Jersey contributed \$20,486,363.00, \$22,296,214.00, and \$21,481,314.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2025, 2024, and 2023 \$5,019,590.53, \$4,577,225.38, and \$4,334,663.00 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS - GASB 68 PENSION PLANS

Public Employees Retirement System (PERS)

At June 30, 2025, the State reported a net pension liability of \$29,875,496.00 for the District's proportionate share of the total net pension liability. 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. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.2198660242 percent, which was a decrease of 0.0092410127 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized a pension expense of \$2,991,762.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2023 measurement date

At June 30, 2025, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 598,461.00	\$ 79,537.00
Changes of assumptions	37,115.00	339,914.00
Net difference between projected and actual earnings on pension plan investments		1,385,245.00
Changes in proportion and differences between District contributions and proportionate share of contributions	2,681,313.00	3,604,049.00
District contributions subsequent to the measurement date	<u>3,033,964.00</u>	
	<u>\$ 6,350,853.00</u>	<u>\$ 5,408,745.00</u>

The \$3,033,964.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2025	(\$1,452,988.20)
2026	796,933.80
2027	(749,214.20)
2028	(510,525.20)
2029	<u>(176,062.20)</u>
	<u><u>(\$2,091,856.00)</u></u>

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (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 Rate of Return

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market 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. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$39,697,189.00	\$29,875,496.00	\$21,517,289.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2025, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The amounts contributed by the State on behalf of the District 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 nonemployer contributing entity. Since the District does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the District related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the District as of the measurement date June 30, 2024 was 0.2208818203% which was a decrease of 0.0090950678 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the measurement dates June 30, 2024 and June 30, 2023 was \$96,319.00 and \$103,491.00, respectively.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Teachers Pensions and Annuity Fund (TPAF)

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2025 was as follows:

Net Pension Liability:	
Districts proportionate share	\$-0-
State's proportionate share associated with the District	<u>255,686,813.00</u>
	<u><u>\$255,686,813.00</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 which was rolled forward to June 30, 2024. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the proportion of the TPAF net pension liability associated with the District was 0.5173217225% which was a decrease of 0.0009525104 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue of \$932,706.00 in the government-wide financial statements for contributions provided by the State. This pension benefit and revenue was based on the pension plans June 30, 2024 measurement date.

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	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Mortality Rate

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

The actuarial assumptions used in the July 1, 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 PENSION PLANS (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

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 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>372,741</u>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2025 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>286,193,063</u>
	<u><u>\$286,193,063</u></u>

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 total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2025, the District recognized on-behalf post-employment expense and revenue of \$11,783,242 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2024 measurement date.

At the June 30, 2024 measurement date, the District's proportion was 0.4797821254 percent, which was a decrease of 0.0119481778 from its proportion measured as of June 30, 2023.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2025 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:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-5.65%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

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

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

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 medical benefits 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%.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability 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.

Changes in the Total Non-Employer OPEB Liability

Balance at 6/30/23		\$257,478,190
Changes for the year:		
Service cost	\$12,224,561	
Interest	9,420,811	
Differences between expected and actual experience	(7,393,101)	
Changes in assumptions or other inputs	21,411,062	
Membership Contributions	246,350	
Benefit payments - Net	<u>(7,194,810)</u>	
Net changes		<u>28,714,873</u>
Balance at 6/30/24		<u>\$286,193,063</u>

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2023 to June 30, 2024.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, 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 -percentage point lower or 1-percentage point higher than the current rate:

	<u>1.00%</u> <u>Decrease</u> <u>(2.93%)</u>	<u>At Discount</u> <u>Rate (3.93%)</u>	<u>1.00%</u> <u>Increase</u> <u>(4.93%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$335,193,370	\$286,193,063	\$246,786,646

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$238,400,905	\$286,193,063	\$348,445,503

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At the June 30, 2024 measurement date, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 30,604,962	\$ 53,446,316
Changes of assumptions	48,002,101	55,955,104
Changes in proportion	<u>9,058,715</u>	<u>12,534,960</u>
	\$ <u><u>87,665,778</u></u>	\$ <u><u>121,936,380</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2025	(\$10,846,851)
2026	(9,207,427)
2027	(4,738,263)
2028	367,325
2029	(8,072,982)
Total Thereafter	<u>(1,772,404)</u>
	<u><u>(\$34,270,602)</u></u>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS 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 in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2024-2025 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 10: 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. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

WORKERS' COMPENSATION PLAN

The District has established a worker's compensation plan for its employees. Transactions related to the plan are accounted for in the General Fund. The District funds the entire cost of the plan. Claims are paid directly by the plan up to a maximum of \$700,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Reinsurance Agreement with Safety National Casualty Corporation.

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

The Board establishes a liability for self-insured workers' compensation claims based on an independent actuarial valuation. This liability is reported in the Internal Service Fund as an accrued liability and includes estimates for known claims (Case Reserves) and estimates for claims incurred but not reported (IBNR) was \$2,586,914.00 at June 30, 2025.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 10: RISK MANAGEMENT (CONTINUED)

HEALTH INSURANCE PLAN

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2025, are reported as claims and judgements payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator. The IBNR as of June 30, 2025 was \$1,940,000.00 and the District has an aggregate stop loss corridor of \$3,370,000.00.

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

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

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

<u>Fiscal</u> <u>Year</u>		<u>Interest</u> <u>Earned</u>	<u>Board & Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024-25	\$	37,932.69	\$ 248,897.67	\$ 185,240.30	\$ 1,658,254.13
2023-24		13,432.04	232,408.78	155,647.57	1,556,664.07
2022-23			224,698.00	70,358.00	1,466,470.82

NOTE 11: FUND BALANCE APPROPRIATED

General Fund - Of the \$9,744,441.25 in General Fund Balance at June 30, 2025, \$3,263,845.55 has been restricted in the Capital Reserve Account; \$698,858.00 has been restricted in the Emergency Reserve Account; \$1,038,216.10 has been restricted in the Maintenance Reserve Account; \$1,504,403.51 has been restricted for Unemployment; \$1,700,000.00 has been committed for subsequent year's expenditures; \$1,526,513.17 has been assigned for encumbrances; and \$12,604.92 is unassigned.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 12: CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 resulting from the year ended June 30, 2025 is \$0.00.

General Fund Expenditures:

Fiscal Year Ended, June 30, 2025	\$ 226,290,266.80
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Add:

Transfer from General Fund to SRF for Prek-Inclusion	629,772.00
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Less:

On-Behalf TPAF Pension & Social Security and Assets acquired under installment purchase contracts	32,727,402.52
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Adjusted General Fund Expenditures	194,192,636.28
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Excess Surplus Percentage	2.0%
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	3,883,852.73
--	--------------

Greater of line above or \$250,000.00	3,883,852.73
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Increased by:

Allowable Adjustments	- 0.00 -
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Maximum Unreserved/Undesignated

General Fund Balance	3,883,852.73
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Actual Unassigned

General Fund Balance	2,027,069.12
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Excess Surplus	\$ 0.00
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Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Franklin Township School 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.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2025 is as follows:

Balance, June 30, 2024	\$ 5,763,696.66
Increased by:	
Interest	148.89
	<u>\$ 5,763,845.55</u>
Decreased by:	
Appropriation	2,500,000.00
	<u><u>\$ 3,263,845.55</u></u>
Balance, June 30, 2025	

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 14: EMERGENCY RESERVE ACCOUNT

An emergency reserve was established by the District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41. The activity of the emergency reserve for the year ending June 30, 2025 is as follows:

Balance, June 30, 2024	\$ 1,000,000.00
Appropriation	<u>301,142.00</u>
Balance, June 30, 2025	<u><u>\$ 698,858.00</u></u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the Township of Franklin School District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years. The activity of the maintenance reserve for the year ending June 30, 2025 is as follows:

Balance, June 30, 2024	\$ 2,038,086.86
Increased by:	
Interest	<u>129.24</u>
	\$ 2,038,216.10
Decreased by:	
Appropriation	<u>1,000,000.00</u>
Balance, June 30, 2025	<u><u>\$ 1,038,216.10</u></u>

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 16: INVENTORY

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food, Commodities and Supplies \$80,641.94

NOTE 17: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2025.

NOTE 18: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district-wide statement of net position. As of June 30, 2025, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$2,673,059.51.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 19: PRIOR PERIOD RESTATEMENT

Net Position at June 30, 2024 has been adjusted to properly reflect Capital Assets as June 30, 2024:

	<u>Governmental Activities</u>
Net Position 6/30/24	\$30,419,430.49
Adjustments:	
GASB101 Implementation	<u>1,325,750.86</u>
Net Position 6/30/24 (as Restated)	<u><u>\$31,745,181.35</u></u>

NOTE 20: DEFICIT FUND BALANCE

The District has a deficit of fund balance of \$1,074,898.80 in the Special Revenue Fund and \$7,896,914.00 in the Internal Service Fund as of June 30, 2025 as reported in the GAAP fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed state aid payments 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 intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, 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 delayed state aid payments in the subsequent fiscal year, the school district cannot recognize the delayed state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the delayed state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a result from a delay in state aid payments until the following fiscal year, is not considered a violation of New Jersey statute. The deficit in the Special Revenue Fund is equal to or less than the delayed state aid payment and, therefore, no violation of New Jersey Statute or regulation exists nor is there a need for corrective action.

Per GASB 10, deficits, if any, in an internal service fund do not need to be charged back to the other funds in any one year, as long as adjustments are made over a reasonable period of time; however, a deficit fund balance of the internal service fund should be disclosed in the notes to financial statements. If the charge by the internal service fund to the other funds fails to recover the full cost of claims over a reasonable period of time, any deficit fund balance in the internal service fund should be charged back to the other funds and reported as an expenditure/expense of those funds. It is the District intention to recover the cost of claims.

Franklin Township School District
Notes to the Financial Statements
June 30, 2025

NOTE 21: TAX ABATEMENTS

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

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

NOTE 22: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balances sheet at June 30, 2025:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$1,218,970.76	\$11,767.00
Special Revenue Fund		1,218,910.76
Enterprise Fund	11,767.00	
	<u>\$1,230,737.76</u>	<u>\$1,230,737.76</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 23: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 2, 2026, which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 162,114,985.00	\$	162,114,985.00	\$ 162,114,985.00	\$
Tuition From Other Sources	75,000.00		75,000.00	339,960.38	264,960.38
Unrestricted Miscellaneous Revenues	1,500,000.00		1,500,000.00	431,928.72	(1,068,071.28)
Interest Earned on Maintenance Reserve	500.00		500.00	129.24	(370.76)
Interest Earned on Capital Reserve Funds	1,500.00		1,500.00	148.89	(1,351.11)
Other Restricted Miscellaneous Revenues				37,932.69	37,932.69
Total Local Sources	163,691,985.00		163,691,985.00	162,925,084.92	(766,900.08)
State Sources:					
Categorical Transportation Aid	3,372,682.00		3,372,682.00	3,372,682.00	
Extraordinary Aid	2,750,000.00	617,640.00	3,367,640.00	3,367,640.00	
Categorical Special Education Aid	9,217,005.00		9,217,005.00	9,217,005.00	
Equalization Aid	5,760,212.00		5,760,212.00	5,760,212.00	
Categorical Security Aid	2,769,263.00		2,769,263.00	2,769,263.00	
Other State Aids	174,142.00	284,046.00	458,188.00	684,783.00	226,595.00
On-behalf TPAF Contributions-non-budgeted				20,235,697.00	20,235,697.00
On-behalf TPAF N.C.G.I.-non-budgeted				250,666.00	250,666.00
Reimbursed TPAF Soc. Sec. Contribution-non-budgeted				5,019,590.53	5,019,590.53
Post Retirement Medical-non budgeted				5,986,132.00	5,986,132.00
Long Term Disability Insurance				10,634.00	10,634.00
Total State Sources	24,043,304.00	901,686.00	24,944,990.00	56,674,304.53	31,729,314.53
Federal Sources:					
Medicaid Reimbursement	510,984.00		510,984.00	125,254.10	(385,729.90)
Total Federal Sources	510,984.00		510,984.00	125,254.10	(385,729.90)
Total Revenues	188,246,273.00	901,686.00	189,147,959.00	219,724,643.55	30,576,684.55

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	\$ 2,075,672.00	\$ 13,784.62	\$ 2,089,456.62	\$ 2,089,456.62	
Grades 1-5	10,223,594.00	699,560.41	10,923,154.41	10,923,154.41	
Grades 6-8	8,374,676.00	673,295.44	9,047,971.44	9,047,971.44	
Grades 9-12	11,350,851.00	430,161.51	11,781,012.51	11,781,012.51	
Regular programs - home instruction:					
Salaries of teachers	30,000.00	15,776.00	45,776.00	45,776.00	
Purchased professional educational services	28,885.75	5,468.56	34,354.31	34,009.31	345.00
Regular programs - undistributed instruction:					
Other salaries for instruction		11,129.07	11,129.07	11,129.07	
Purchased professional - educational services	1,582,493.00	584,537.25	2,167,030.25	2,166,980.07	50.18
Purchased technical services	739,292.00	(154,225.27)	585,066.73	106,941.73	478,125.00
Other purchased services (400 - 500 series)	688,977.29	(93,688.05)	595,289.24	593,374.90	1,914.34
General supplies	896,534.46	(130,321.67)	766,212.79	759,003.44	7,209.35
Textbooks	128,747.00	4,784.24	133,531.24	133,531.24	
Other objects	16,767.00	(1,281.04)	15,485.96	15,485.96	
Total regular programs	36,136,489.50	2,058,981.07	38,195,470.57	37,707,826.70	487,643.87
Instruction - Special Education:					
Intellectual Disability-Moderate:					
Salaries of Teachers	121,179.00	29,298.00	150,477.00	150,477.00	
Other Salaries for Instruction	87,779.00	37,981.55	125,760.55	125,760.55	
General Supplies	8,740.00	(8,198.09)	541.91	541.91	
Other Objects	5,342.98	(4,550.00)	792.98	750.00	42.98
Total Intellectual Disability-Moderate	223,040.98	54,531.46	277,572.44	277,529.46	42.98
Learning and/or Language Disabilities-Mild/Moderate:					
Salaries of Teachers	868,263.00	9,714.04	877,977.04	877,977.04	
Other salaries for instruction	707,792.00	(176,318.09)	531,473.91	531,473.91	
General Supplies	35,663.00	(10,003.98)	25,659.02	25,465.50	193.52
Total Learning and/or Language Disabilities-Mild/Moderate	1,611,718.00	(176,608.03)	1,435,109.97	1,434,916.45	193.52
Emotional Regulation Impairment:					
Other Salaries for Instruction		23,989.77	23,989.77	23,989.77	
General Supplies	2,185.00	(2,185.00)			
Total Emotional Regulation Impairment	2,185.00	21,804.77	23,989.77	23,989.77	
Multiple Disabilities:					
Salaries for Teachers		27,052.26	27,052.26	27,052.26	
Other Salaries for Instruction		47,968.65	47,968.65	47,968.65	
Total Multiple Disabilities		75,020.91	75,020.91	75,020.91	

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
Resource Room / Resource Center:					
Salaries of Teachers	7,446,999.00	(444,014.82)	7,002,984.18	7,002,984.18	
Other salaries for instruction	1,054,028.00	(211,827.09)	842,200.91	842,200.91	
General Supplies	29,883.43	(13,271.17)	16,612.26	16,568.94	43.32
Total Resource Room / Resource Center	8,530,910.43	(669,113.08)	7,861,797.35	7,861,754.03	43.32
Autism:					
Salaries of Teachers	1,690,367.00	383,037.12	2,073,404.12	2,073,404.12	
Other Salaries for Instruction	1,024,455.00	483,724.85	1,508,179.85	1,508,179.85	
General Supplies	71,113.90	(1,776.63)	69,337.27	69,220.27	117.00
Total Autism	2,785,935.90	864,985.34	3,650,921.24	3,650,804.24	117.00
Preschool Disabilities - Full - Time:					
Salaries of Teachers	768,407.00	(290,449.31)	477,957.69	477,957.69	
Other Salaries for Instruction	629,212.00	(462,009.62)	167,202.38	167,202.38	
Supplies and Materials	16,375.00	(16,375.00)			
Total Preschool Disabilities - Full - Time	1,413,994.00	(768,833.93)	645,160.07	645,160.07	
Home Instruction:					
Salaries of Teachers	13,813.50	103,076.00	103,076.00	103,076.00	
Purchased Professional-Educational Services	13,813.50	108.01	13,921.51	13,871.50	50.01
Total Home Instruction		103,184.01	116,997.51	116,947.50	50.01
Total Special Education	14,581,597.81	(495,028.55)	14,086,569.26	14,086,122.43	446.83
Basic Skills / Remedial:					
Salaries of Teachers	3,637,104.00	(13,599.53)	3,623,504.47	3,623,504.47	
General Supplies	6,300.00	(2,700.77)	3,599.23	3,599.23	
Total Basic Skills / Remedial	3,643,404.00	(16,300.30)	3,627,103.70	3,627,103.70	
Bilingual Education Instruction:					
Salaries of Teachers	3,234,974.00	673,765.99	3,908,739.99	3,908,739.99	
Other Salaries for Instruction	49,110.00	(48,663.65)	446.35	446.35	
General Supplies	52,070.00	(7,953.38)	44,116.62	42,821.84	1,294.78
Total Bilingual Education Instruction	3,336,154.00	617,148.96	3,953,302.96	3,952,008.18	1,294.78
School Sponsored Co-Curricular Activities:					
Salaries	557,077.00	(181,468.32)	375,608.68	375,608.68	
Purchased Services (300-500 series)	16,290.00	(2,265.00)	14,025.00	14,025.00	
Supplies and Materials	16,966.00	201.40	17,167.40	17,167.40	
Other Objects	45,989.25	(14,171.16)	31,818.09	31,818.09	
Total School Sponsored Co-Curricular Activities	636,322.25	(197,703.08)	438,619.17	438,619.17	

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
School Sponsored Athletics:					
Salaries	\$ 222,487.00	\$ 768,602.59	\$ 991,089.59	\$ 991,089.59	\$
Purchased Services (300-500 Series)	42,700.00	(2,815.00)	39,885.00	39,885.00	
Supplies and Materials	77,663.00	(19,754.67)	57,908.33	57,908.33	
Other Objects	198,092.00	(13,989.09)	184,102.91	184,102.91	
Total School Sponsored Athletics	540,942.00	732,043.83	1,272,985.83	1,272,985.83	
Instructional ALT ED Prog Instruction:					
Salaries of Teachers	543,936.00	29,126.83	573,062.83	573,062.83	
Purchased Professional & Technical Services	28,650.00	(350.00)	28,300.00	28,300.00	
General Supplies	2,000.00	(1,212.41)	787.59	787.59	
Total Instructional ALT ED Prog Instruction	574,586.00	27,564.42	602,150.42	602,150.42	
Instructional ALT ED Prog Support:					
Salaries	265,877.00	(252,682.76)	13,194.24	13,194.24	
Supplies and Materials	1,625.00	(632.05)	992.95	992.95	
Total Instructional ALT ED Prog Support	267,502.00	(253,314.81)	14,187.19	14,187.19	
Total Instructional ALT ED Program	842,088.00	(225,750.39)	616,337.61	616,337.61	
Total Other Instructional Programs	8,998,910.25	909,439.02	9,908,349.27	9,907,054.49	1,294.78
Total - Instruction	59,716,997.56	2,473,391.54	62,190,389.10	61,701,003.62	489,385.48
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	286,000.00	(23,622.82)	262,377.18	262,377.18	
Tuition to Other LEA's within the State - Special	2,352,351.00	(394,491.28)	1,957,859.72	1,957,859.71	0.01
Tuition to County Vocational School District - Regular	112,978.00	(43,228.00)	69,750.00	65,660.00	4,090.00
Tuition to County Vocational School District - Sp Ed	39,209.00	43,015.00	82,224.00	82,224.00	
Tuition to CSSD & Regional Day Schools	237,750.00	(11,066.00)	226,684.00	226,684.00	
Tuition to Private Schools for the Handicapped w/in State	4,343,210.00	(1,237,433.51)	3,105,776.49	3,105,776.49	
Tuition to Private School Disabled & Other LEAs - Spl. O/S St		20,000.00	20,000.00	20,000.00	
Tuition - State Facilities	9,000.00		9,000.00	9,000.00	
Tuition - Other	381,280.00	549,208.40	930,488.40	924,255.90	6,232.50
Total Undistributed Expenditures - Instruction	7,761,778.00	(1,097,618.21)	6,664,159.79	6,653,837.28	10,322.51
Attendance and Social Work Services:					
Salaries	139,074.00	5,224.76	144,298.76	144,298.76	
Total Attendance and Social Work Services	139,074.00	5,224.76	144,298.76	144,298.76	
Health Services:					
Salaries	1,497,714.00	(321,080.85)	1,176,633.15	1,176,633.15	
Purchased Professional and Technical Services	527,136.93	507,023.07	1,034,160.00	1,028,672.94	5,487.06
Other Purchased Services	1,080.00	(1,080.00)			
Supplies and Materials	38,314.00	(4,054.09)	34,259.91	33,754.60	505.31
Total Health Services	2,064,244.93	180,808.13	2,245,053.06	2,239,060.69	5,992.37

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	\$
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	1,082,581.00	(106,958.68)	975,622.32	975,622.32	
Purchased Professional - Educational Services	1,812,875.13	1,687,442.20	3,500,317.33	3,496,988.77	3,328.56
Supplies and Materials	9,368.00	(1,606.54)	7,761.46	7,761.46	
Total Other Support Services - Speech, OT, PT & Related Services	2,904,824.13	1,578,876.98	4,483,701.11	4,480,372.55	3,328.56
Other Support Services - Students - Extra Services					
Salaries	591,806.00	303,616.99	895,422.99	895,422.99	
Purchased Professional - Educational Services	2,248,915.14	28,870.22	2,277,785.36	2,273,766.49	4,018.87
Total Other Support Services - Students - Extra Services	2,840,721.14	332,487.21	3,173,208.35	3,169,189.48	4,018.87
Guidance:					
Salaries of Other Professional Staff	2,212,859.00	131,770.93	2,344,629.93	2,344,629.93	
Salaries of Secretarial and Clerical Assistants	313,351.00	41,802.26	355,153.26	355,153.26	
Purchased Professional - Educational Services	475,389.00	(400,301.90)	75,087.10	73,762.10	1,325.00
Other Purchased Professional and Tech Services	9,061.00	1,736.48	10,797.48	10,797.48	
Other Purchased Services	7,430.00	(5,272.20)	2,157.80	2,109.15	48.65
Supplies and Materials	37,685.00	(1,402.73)	36,282.27	36,282.27	
Other Objects	47,003.00	(19,338.90)	27,664.10	27,664.10	
Total Guidance	3,102,778.00	(251,006.06)	2,851,771.94	2,850,398.29	1,373.65
Child Study Teams:					
Salaries of Other Professional Staff	2,673,607.00	196,013.84	2,869,620.84	2,869,620.84	
Salaries of Secretarial and Clerical Assistants	377,155.00	(61,124.78)	316,030.22	316,030.22	
Salaries of ABA In Home Therapy	80,000.00	256,936.21	336,936.21	336,936.21	
Purchased Professional Educational Services	92,604.89	(9,229.75)	83,375.14	83,220.89	154.25
Other Purchased Professional and Technical Svcs.	26,063.00	(8,888.72)	17,174.28	17,174.28	
Other Purchased Services (400-500 series)	14,294.00	(7,751.84)	6,542.16	6,542.16	
Supplies and Materials	25,568.00	(1,713.60)	23,854.40	23,779.39	75.01
Other Objects	24,640.00	(452.51)	24,187.49	24,187.49	
Total Child Study Teams	3,313,931.89	363,788.85	3,677,720.74	3,677,491.48	229.26
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	1,984,041.00	(182,224.20)	1,801,816.80	1,801,816.80	
Salaries of Other Professional Staff		126,138.93	126,138.93	126,138.93	
Salaries of Secretarial and Clerical Assts.	278,923.00	39,624.00	318,547.00	318,547.00	
Other Salaries	80,342.00	2,324.37	82,666.37	82,666.37	
Sal of Facilitators, Math & Literacy Coaches	2,266,863.00	(197,476.64)	2,069,386.36	2,069,386.36	
Purchased Prof. and Tech. Services	33,000.00	(27.00)	32,973.00	32,973.00	
Other Purchased Services (400-500)	24,284.00	(8,483.29)	15,800.71	14,945.70	855.01
Supplies and materials	8,500.00	1,478.08	9,978.08	9,978.08	
Other Objects	52,393.00	(26,805.78)	25,587.22	25,549.50	37.72
Total Improvement of Instruction Services /					
Other Support Services - Instructional Staff	4,728,346.00	(245,451.53)	4,482,894.47	4,482,001.74	892.73

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Educational Media Services / School Library:					
Salaries	\$ 636,623.00	\$ 110,996.34	\$ 747,619.34	\$ 747,619.34	\$
Purchased Professional and Technical Services	75,000.00	29,292.16	104,292.16	104,042.13	250.03
Supplies and materials	113,965.00	(1,424.39)	112,540.61	112,540.61	
Total Educational Media Services / School Library	825,588.00	138,864.11	964,452.11	964,202.08	250.03
Instructional Staff Training Services:					
Other Purchased Professional - Educational Svcs.	289,992.00	131,248.06	421,240.06	391,239.06	30,001.00
Other Purchased Technical Services	17,835.00	(4,535.00)	13,300.00	13,300.00	
Other Purchased Services (400- 500)	33,625.00	(12,290.28)	21,334.72	21,334.72	
Supplies and materials	25,675.97	(11,249.21)	14,426.76	14,426.76	
Total Instructional Staff Training Services	367,127.97	103,173.57	470,301.54	440,300.54	30,001.00
Support Services General Administration:					
Salaries	863,885.00	47,568.32	911,453.32	911,453.32	
Legal Services	320,785.00	61,920.21	382,705.21	378,827.53	3,877.68
Expenditure and Internal Control Audit Fees	71,400.00	(50.00)	71,350.00	71,350.00	
Architectural/Engineering Services	128,974.12	(65,000.00)	63,974.12	26,285.00	37,689.12
Other Purchased Professional Services	87,700.00	(51,200.00)	36,500.00	36,500.00	
Other Purchased Technical Services	160,321.48	(38,540.49)	121,780.99	119,708.99	2,072.00
Communications / Telephone	433,943.00	(54,561.23)	379,381.77	373,786.03	5,595.74
Board Travel Expense	10,000.00	(7,218.00)	2,782.00	2,663.00	119.00
Miscellaneous Expenditures	218,060.00	6,915.19	224,975.19	224,975.19	
General Supplies	9,100.00	(1,512.92)	7,587.08	7,587.08	
BOE In- House Training/ Meeting Supplies	5,000.00	(5,000.00)	25,250.00	25,250.00	
Judgements against the District	3,000.00	22,250.00	19,532.69	19,532.69	
Miscellaneous Expenditures	19,134.00	398.69	55,641.41	55,425.02	216.39
BOE Membership Dues and Fees	45,250.00	10,391.41	55,641.41	55,425.02	
Total Support Services General Administration	2,376,552.60	(73,638.82)	2,302,913.78	2,253,343.85	49,569.93
Support Services School Administration:					
Salaries of Principals / Asst. Principals	2,753,283.00	16,549.66	2,769,832.66	2,769,832.66	
Salaries of Other Professionals	982,420.00	96,379.01	1,078,799.01	1,078,799.01	
Salaries of Secretarial and Clerical Assistants	1,915,143.00	(118,685.43)	1,796,457.57	1,796,457.57	
Other Salaries		28,238.92	28,238.92	28,238.92	
Purchased Professional and Technical Services	26,450.00	(3,800.00)	22,650.00	600.00	22,050.00
Other Purchased Services(400-500 series)	25,100.00	(10,693.42)	14,406.58	14,021.58	385.00
Supplies and Materials	103,436.11	719.54	104,155.65	101,965.81	2,189.84
Other Objects	26,854.90	(4,437.99)	22,416.91	22,390.74	26.17
Total Support Services School Administration	5,832,687.01	4,270.29	5,836,957.30	5,812,306.29	24,651.01
Central Service:					
Salaries	1,631,735.00	(84,942.25)	1,546,792.75	1,546,792.75	
Other Purchase Professional Service	170,803.00	215,783.35	386,586.35	386,586.35	
Misc. Purch Services (400-500)	26,500.00	(16,637.31)	9,862.69	9,862.69	
Supplies and Materials	34,386.00	(8,653.85)	25,732.15	25,690.11	42.04
Miscellaneous Expenditures	37,091.00	(19,723.22)	17,367.78	17,367.78	
Total Central Service	1,900,515.00	85,826.72	1,986,341.72	1,986,299.68	42.04

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Administrative Information Technology:					
Salaries	\$ 951,963.00	\$ (113,173.56)	\$ 838,789.44	\$ 838,789.44	
Purchased Technical Services	97,112.00	14,304.88	111,416.88	111,416.88	
Other Purchased Services	5,500.00	(783.43)	4,716.57	4,716.57	
Supplies and Materials	60,643.00	(267.03)	60,375.97	60,375.97	
Total Administrative Information Technology	1,115,218.00	(99,919.14)	1,015,298.86	1,015,298.86	
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	943,000.80	(334,900.62)	608,100.18	543,042.06	65,058.12
General Supplies	216,286.51	3,063.09	219,349.60	212,918.80	6,430.80
Other Objects	38,047.00	(13,600.49)	24,446.51	24,446.51	
Total Required Maintenance for School Facilities	1,197,334.31	(345,438.02)	851,896.29	780,407.37	71,488.92
Custodial Services:					
Salaries	4,743,654.00	(311,843.44)	4,431,810.56	4,431,810.56	
Purchased Professional and Technical Services	11,220.00	(11,220.00)			
Cleaning, Repair and Maintenance Services	238,820.00	2,401.90	241,221.90	236,565.22	4,656.68
Lease Purchase Pymts- Energy Savings Impr Prog	497,987.00	0.13	497,987.13	497,987.13	
Other Purchased Property Services	270,200.00	(41,526.26)	228,673.74	228,673.74	
Insurance	902,899.00	(81,812.26)	821,086.74	821,086.74	
General Supplies	232,680.00	71,465.31	304,145.31	284,722.95	19,422.36
Energy (Natural Gas)	783,750.00	(85,338.74)	698,411.26	698,411.26	
Energy (Heat and Electricity)	1,567,864.00	257,782.41	1,825,646.41	1,825,646.41	
Energy (Oil)		3,368.75	3,368.75	3,368.75	
Energy (Gasoline)	10,746.25	5,280.00	16,026.25	13,638.94	2,387.31
Other Objects	2,040.00	(2,040.00)			
Total Custodial Services	9,261,860.25	(193,482.20)	9,068,378.05	9,041,911.70	26,466.35
Care and Upkeep of Grounds:					
Salaries	569,396.00	232,746.04	802,142.04	802,142.04	
Cleaning, Repair And Maintenance	97,488.12	(12,182.72)	85,285.40	81,973.70	3,311.70
General Supplies	69,144.00	19,650.90	88,794.90	88,794.90	
Total Care and Upkeep of Grounds	736,008.12	240,214.22	976,222.34	972,910.64	3,311.70
Security:					
Salaries	2,282,714.00	(231,933.47)	2,050,780.53	2,050,780.53	
Purchased Professional and Technical Services	938,442.00	159,924.72	1,098,366.72	1,098,041.53	325.19
General Supplies	33,278.00	(1,323.13)	31,954.87	30,592.93	1,361.94
Total Security	3,254,434.00	(73,331.86)	3,181,102.12	3,179,414.99	1,687.13

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
\$	\$	\$	\$	\$	
Student Transportation Services:					
Salaries of Non-Instructional Aides	40,715.00	2,483.00	43,198.00	43,198.00	
Salaries for Pupil Transportation (Between Home and School) - Regular	193,041.00	41,090.22	234,131.22	234,131.22	
Salaries for Pupil Transportation (Between Home and School) - Special	394,864.00	(103,030.41)	291,833.59	291,833.59	
Management Fee- ESC & CTSA Trans. Program	120,279.00	(0.09)	120,278.91	116,642.90	3,636.01
Transportation- Other Purchased Prof & Tech	18,007.00	1,387.00	19,394.00	19,394.00	
Cleaning, Repair and Maintenance Services	337,619.33	(148,483.48)	189,135.85	175,389.25	13,746.60
Contracted Services - Aid in Lieu Payments-NonPub Sch	574,745.00	139,272.60	714,017.60	712,840.60	1,177.00
Contracted Services - Aid in Lieu Payments-Charter Sch	30,000.00	(6,460.00)	23,540.00	23,540.00	
Contracted Services (Between Home & School) - Vendors	7,238,601.44	2,363,302.52	9,601,903.96	9,600,475.21	1,428.75
Contracted Services (Other than Between Home and School) - Vendors	715,190.00	(118,912.91)	596,277.09	595,417.59	859.50
Contr Serv(Bet. Home & Sch)-Joint Agrmnts	28,881.54	30,680.46	59,562.00	59,562.00	
Contract Services (Sp. Ed. Sids.) - Vendors	5,942,159.00	(1,683,835.23)	4,258,323.77	4,258,322.77	1.00
Contract. Serv.(Reg. Students)-ESCs & CTSA	1,601,389.00	(1,601,389.00)			
Contracted Svcs -(Spec.Ed. Stud) - ESCs & CTSA	3,807,227.00	(831,240.76)	2,975,986.24	2,495,986.24	480,000.00
Miscellaneous Purchased Services - Transportation	1,732.00	(857.32)	874.68	874.68	
General Supplies	4,590.00	(3,734.02)	855.98	855.98	
Other Objects	1,836.00	(1,182.70)	653.30	653.30	
Total Student Transportation Services	21,050,876.31	(1,920,910.12)	19,129,966.19	18,629,117.33	500,848.86
Unallocated Benefits - Employee Benefits:					
Group Insurance	1,200.00	47.19	1,247.19	1,247.19	
Social Security Contributions	1,893,281.00	967,929.82	2,861,210.82	2,132,656.27	728,554.55
Other Retirement Contributions - PERS	2,844,053.00	169,619.16	3,013,672.16	3,013,672.16	
Other Retirement Contributions - Regular	21,000.00	34,546.24	55,546.24	55,546.24	
Workmen's Compensation	1,151,531.00	22,973.69	1,174,504.69	44,906.24	1,129,598.45
Health Benefits	30,435,010.00	(715,262.46)	29,719,747.54	29,614,167.48	105,580.06
Tuition Reimbursements	185,500.00	20,989.69	206,489.69	195,328.94	11,160.75
Other Employee Benefits	78,000.00	(21,019.68)	56,980.32	54,395.31	2,585.01
Total Unallocated Benefits - Employee Benefits	36,609,575.00	479,823.65	37,089,398.65	35,111,919.83	1,977,478.82

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				20,235,697.00	(20,235,697.00)
NCGI-non-budgeted				250,666.00	(250,666.00)
Post Retirement Medical-non budgeted				5,986,132.00	(5,986,132.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				5,019,590.53	(5,019,590.53)
Long Term Disability Insurance				10,634.00	(10,634.00)
Total TPAF Pension/Social Security				31,502,719.53	(31,502,719.53)
Total Undistributed Expenditures	111,383,474.66	(787,437.49)	110,596,037.17	139,386,802.96	(28,790,765.79)
General Current Expense:					
Interest Deposit to Capital Reserve	1,500.00		1,500.00		1,500.00
Interest Earned on Maintenance Reserve	500.00		500.00		500.00
Total General Current Expense	2,000.00		2,000.00		2,000.00
TOTAL EXPENDITURES - CURRENT EXPENSE	171,102,472.22	1,685,954.05	172,788,426.27	201,087,806.58	(28,299,380.31)
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12 - Equipment		2,398.28	2,398.28	2,398.28	
Learning and/or Language Disabilities-Mild/Moderate	16,400.00	(16,400.00)			
School Administration		18,140.60	18,140.60	18,140.60	
Undistributed-Admin. Info Technology		248,024.86	248,024.86	215,998.40	32,026.46
Undistributed-Req. Maint. For Schools		2,379.00	2,379.00	2,379.00	
Undistributed-Custodial Services		12,457.36	12,457.36	12,457.36	
Undist. Expend. - Care and Upkeep of Grounds		24,121.52	24,121.52	8,171.52	15,950.00
Undist.Expend.-Student Trans.-Non-Inst. Equip.	25,216.64		25,216.64	25,216.64	
Total Equipment	41,616.64	291,121.62	332,738.26	284,761.80	47,976.46
Facilities Acquisition and Construction Services:					
Construction services	2,500,000.00	(223,460.67)	2,276,539.33	2,064,409.43	212,129.90
Assessment for Debt Service on SDA Funding	166,967.00		166,967.00	166,967.00	
Total Facilities Acquisition and Construction Services	2,666,967.00	(223,460.67)	2,443,506.33	2,231,376.43	212,129.90
Assets acquired under installment purchases (non-budgeted)				1,224,682.99	(1,224,682.99)
TOTAL CAPITAL OUTLAY	2,708,583.64	67,660.95	2,776,244.59	3,740,821.22	(964,576.63)
Transfer of funds to charter schools	21,000,000.00	461,639.00	21,461,639.00	21,461,639.00	
TOTAL EXPENDITURES	194,811,055.86	2,215,254.00	197,026,309.86	226,290,266.80	(29,263,956.94)

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (6,564,782.86)	\$ (1,313,568.00)	\$ (7,878,350.86)	\$ (6,585,623.25)	\$ 1,312,727.61
Other financing sources (uses)					
Local Contrib. - Trans to Special Rev- Inclusion	(629,772.00)		(629,772.00)	(629,772.00)	1,224,682.99
Proceeds from Installment Purchases (non-budgeted)				1,224,682.99	1,224,682.99
Total other financing sources	(629,772.00)		(629,772.00)	594,910.99	1,224,682.99
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(7,194,554.86)	(1,313,568.00)	(8,508,122.86)	(5,970,712.26)	2,537,410.60
Fund balances, July 1	17,729,617.71		17,729,617.71	17,729,617.71	
Fund balances, June 30	\$ 10,535,062.85	\$ (1,313,568.00)	\$ 9,221,494.85	\$ 11,758,905.45	\$ 2,537,410.60
Recapitulation:					
Assigned - year-end encumbrances				\$ 1,526,513.17	
Restricted - capital reserve				3,263,845.55	
Restricted - maintenance reserve				1,038,216.10	
Restricted - emergency reserve				698,858.00	
Restricted - unemployment				1,504,403.51	
Assigned - designated for subsequent years expenditures				1,700,000.00	
Unassigned fund balance				2,027,069.12	
				11,758,905.45	
Reconciliation to governmental funds statements (GAAP):					
Last two State Aid Payment not recognized on GAAP basis				(2,014,464.20)	
Fund balance per governmental funds (GAAP)				\$ 9,744,441.25	

FRANKLIN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 13,537,351.00	\$ 545,244.00	\$ 14,082,595.00	\$ 12,994,965.45	\$ (1,087,629.55)
Federal sources	4,250,683.00	1,514,357.67	5,765,040.67	4,303,253.95	(1,461,786.72)
Other sources	5,000.00	2,619,328.74	2,624,328.74	1,599,340.16	(1,024,988.58)
Total revenues	\$ 17,793,034.00	\$ 4,678,930.41	\$ 22,471,964.41	\$ 18,897,559.56	\$ (3,574,404.85)
EXPENDITURES:					
Instruction:					
Salaries - teachers	\$ 2,974,601.00	\$ 755,474.00	\$ 3,730,075.00	\$ 3,138,666.04	\$ 591,408.96
Other salaries for instruction	1,286,692.00	326,787.00	1,613,479.00	1,357,659.75	255,819.25
Purchased professional educational services	1,074,074.00	272,788.00	1,346,862.00	1,133,314.76	213,547.24
Other purchased services	463,342.00	117,678.00	581,020.00	488,898.18	92,121.82
Tuition	1,468,566.00	372,979.00	1,841,545.00	1,549,565.05	291,979.95
General supplies	442,408.00	112,360.00	554,768.00	466,808.72	87,959.28
Textbooks	49,295.00	12,519.00	61,814.00	52,013.59	9,800.41
Other objects	1,286.00	327.00	1,613.00	1,356.97	256.03
Total instruction	\$ 7,760,264.00	\$ 1,970,912.00	\$ 9,731,176.00	\$ 8,188,283.06	\$ 1,542,892.94
Support services:					
Personal services - salaries	\$ 2,136,416.00	\$ 542,596.00	\$ 2,679,012.00	\$ 2,254,250.56	\$ 424,761.44
Personal services - employee benefits	1,828,673.00	464,437.00	2,293,110.00	1,929,534.08	363,575.92
Purchased professional services	3,970,499.00	1,008,407.00	4,978,906.00	4,189,492.22	789,413.78
Other purchased services	1,709,216.00	434,098.00	2,143,314.00	1,803,488.42	339,825.58
Supplies and materials	190,414.00	48,361.00	238,775.00	200,916.65	37,858.35
Other objects	827,323.00	210,119.41	1,037,441.97	872,954.38	164,487.59
Total support services	\$ 10,662,541.00	\$ 2,708,018.41	\$ 13,370,558.97	\$ 11,250,636.31	\$ 2,119,922.66
Total expenditures	\$ 18,422,806.00	\$ 4,678,930.41	\$ 23,101,736.41	\$ 19,438,919.37	\$ 3,662,815.60
Other Financing Sources (Uses):					
Transfer from General Fund	629,772.00		629,772.00	629,772.00	
Total Other Financing Sources (Uses)	629,772.00		629,772.00	629,772.00	
Total expenditures and other financing sources (uses)	17,793,034.00	4,678,930.41	22,471,964.41	18,809,147.37	3,662,815.60
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$		\$ 88,412.19	\$ 88,412.19
Fund Balance, July 1				334,283.86	
Fund Balance, June 30				422,696.05	
Recapitulation of Balance:					
Restricted:					
Student Activities & Scholarship Funds				422,696.05	

FRANKLIN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 219,724,643.55	\$ 18,897,559.56
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized:		
Add prior year encumbrances		512,307.12
Less current year encumbrances		(581,372.47)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,053,805.00	902,225.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(2,014,464.20)</u>	<u>(1,074,898.80)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 219,763,984.35</u>	<u>\$ 18,655,820.41</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$ 226,290,266.80	\$ 18,809,147.37
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized:		
Add prior year encumbrances		512,307.12
Less current year encumbrances		(581,372.47)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes		<u>629,772.00</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 226,290,266.80</u>	<u>\$ 19,369,854.02</u>

REQUIRED SUPPLEMENTARY INFORMATION – Part III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

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

<u>Measurement</u> <u>Date Year</u> <u>Ending</u> <u>June 30,</u>	<u>District's</u> <u>Proportion</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a Percentage</u> <u>of It's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a Percentage</u> <u>of the Total</u> <u>Pension Liability</u>
2015	0.2274400000%	\$	\$	334.79%	47.92%
2016	0.2179600000%		15,250,010.00	428.43%	40.14%
2017	0.2223500000%		15,066,990.00	341.85%	48.10%
2018	0.2309000000%		15,140,829.00	285.07%	53.60%
2019	0.2261400000%		15,947,892.00	255.58%	56.27%
2020	0.2337100000%		15,942,681.00	231.58%	58.32%
2021	0.2366800000%		16,458,036.00	163.73%	70.33%
2022	0.2045032350%		17,124,714.00	203.30%	62.91%
2023	0.2291070369%		15,180,586.00	192.08%	65.23%
2024	0.2198660242%		17,276,313.00	174.22%	68.22%
			17,147,872.00		

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 1,874,537	\$ 1,874,537	-0-	15,066,990.00	12.44%
2017	1,955,339	1,955,339	-0-	15,140,829.00	12.91%
2018	1,936,287	1,936,287	-0-	15,947,892.00	12.14%
2019	2,059,841	2,059,841	-0-	15,942,681.00	12.92%
2020	2,296,666	2,296,666	-0-	16,458,036.00	13.95%
2021	2,199,678	2,199,678	-0-	17,124,714.00	12.85%
2022	2,556,766	2,556,766	-0-	15,180,586.00	16.84%
2023	2,771,769	2,771,769	-0-	17,276,313.00	16.04%
2024	2,578,884	2,578,884	-0-	17,147,872.00	15.04%
2025	3,062,078	3,062,078	-0-	19,546,048.00	15.67%

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION ANNUITY FUND
LAST TEN YEARS

Measurement Date Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a Percentage of It's Covered- Employee Payroll	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District as a Percentage of It's Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.5291116056%	334,421,129.00	51,889,123.00	-0-	644.49%	28.71%
2016	0.5153459460%	405,403,933.00	51,907,424.00	-0-	781.01%	22.33%
2017	0.5170649510%	348,623,835.00	53,372,315.00	-0-	653.19%	25.41%
2018	0.5335064393%	339,405,337.00	55,248,712.00	-0-	614.32%	26.49%
2019	0.5271359521%	323,508,309.00	54,724,475.00	-0-	591.16%	26.95%
2020	0.5192367995%	341,911,185.00	57,232,195.00	-0-	597.41%	24.60%
2021	0.5322898255%	255,899,338.00	58,118,569.00	-0-	440.31%	35.52%
2022	0.5273253411%	272,070,429.00	59,887,289.00	-0-	454.30%	32.29%
2023	0.5182742329%	264,489,177.00	58,759,079.00	-0-	450.12%	34.68%
2024	0.5173217225%	255,686,813.00	59,229,990.00	-0-	431.68%	37.99%

FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR HE FISCAL YEAR ENDED JUNE 30, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION – Part IV

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN
PENSIONS (GASB 75)**

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
	2019	2018	2017		
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District					
Balance at 6/30	\$257,478,190	\$244,893,965	\$295,702,260	\$337,001,889	\$205,060,604
Changes for the year:					
Service cost	12,224,561	11,442,549	15,713,877	8,762,396	10,087,257
Interest	9,420,811	9,068,075	6,489,959	7,670,826	7,431,464
Changes of benefit terms				(314,747)	
Differences between expected and actual experience	(7,393,101)	(1,609,031)	(1,094,859)	(61,863,463)	(58,552,999)
Changes in assumptions or other inputs	21,411,062	518,969	(65,694,994)	291,732	61,558,671
Membership Contributions	246,350	232,378	206,230	(6,042,470)	(9,866,938)
Benefit payments - Net	(7,194,810)	(7,088,715)	(6,428,508)	196,097	177,832
Net changes	28,714,873	12,584,225	(50,808,295)	(51,299,629)	14,835,287
Balance at 6/30	\$286,193,063	\$257,478,190	\$244,893,965	\$295,702,260	\$337,001,889
Covered Employee Payroll	76,377,862	76,035,392	75,067,875	105,800,246	73,690,231
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the District as a percentage of the District's Covered Employee Payroll	374.71%	338.63%	322.08%	393.91%	318.53%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
NOTE TO RSI IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability
in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2024	3.65%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Title I	Title II Part A	Title III / Title III Immigrant	Title IV	Perkins	IDEA Basic	IDEA Preschool	H.I.T.	ARP ESSER III
REVENUES:									
State sources	\$956,630.63	\$182,506.99	\$178,501.40	\$70,211.28	\$31,902.84	\$2,146,197.98	\$60,497.09	\$24,544.28	\$560,032.40
Federal sources									
Other sources									
Total revenues	956,630.63	182,506.99	178,501.40	70,211.28	31,902.84	2,146,197.98	60,497.09	24,544.28	560,032.40
EXPENDITURES:									
Instruction:									
Salaries - teachers									
Other salaries for instruction	285,655.06		58,000.95	23,321.00	896.00			22,840.47	313,550.00
Purchased professional educational services	73,740.85			38,000.00	10,200.00	342,117.82	59,543.04		
Other purchased services						1,549,565.05			
Tuition									
General supplies	141,599.57		16,923.21	1,696.00	1,973.00				215,605.00
Textbooks									
Other objects									
Total instruction	500,995.48		74,924.16	63,017.00	13,069.00	1,891,682.87	59,543.04	22,840.47	529,155.00
Support services:									
Personal services - salaries	178,601.50	43,615.00	19,267.08	1,650.00		8,140.07			
Personal services - employee benefits	36,644.84	3,336.55	6,908.86	1,910.28		477.81	954.05	1,703.81	12,535.24
Purchased professional services	134,532.25	53,386.00	45,774.00	2,364.00	2,496.00	245,897.23			
Other purchased services	27,074.00	50,091.99	12,400.00	1,270.00	1,772.50				18,342.16
Supplies and materials	57,389.00	32,077.45	2,593.50		14,565.34				
Other objects	21,393.56		16,633.80						
Total support services	455,635.15	182,506.99	103,577.24	7,194.28	18,833.84	254,515.11	954.05	1,703.81	30,877.40
Total expenditures	956,630.63	182,506.99	178,501.40	70,211.28	31,902.84	2,146,197.98	60,497.09	24,544.28	560,032.40
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1									
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP ESSER III Instruction	Preschool Aid	SDA Emergent Capital	Computer Science H.S.	Teacher Climate Culture	Nursing	Textbook	Non-Public Technology	Security
REVENUES:									
State sources		\$11,488,193.61	\$1,120.84	\$45,876.00	\$199,796.00	\$163,036.08	\$52,013.59	\$56,054.76	\$237,989.83
Federal sources	\$92,229.06								
Other sources		\$629,772.00							
Total revenues	92,229.06	12,117,965.61	1,120.84	45,876.00	199,796.00	163,036.08	52,013.59	56,054.76	237,989.83
EXPENDITURES:									
Instruction:									
Salaries - teachers	30,882.28	3,093,683.76							
Other salaries for instruction		966,946.27							
Purchased professional educational services		369,903.90							
Other purchased services									
Tuition		47,027.64		13,731.40			52,013.59	56,054.76	237,989.83
General supplies									
Textbooks									
Other objects									
Total instruction	30,882.28	4,477,561.57		13,731.40			52,013.59	56,054.76	237,989.83
Support services:									
Personal services - salaries	9,267.50	1,778,989.41		29,122.50	185,597.50				
Personal services - employee benefits	3,071.46	1,845,564.81		2,227.87	14,198.50				
Purchased professional services		3,542,006.66				163,036.08			
Other purchased services		205,116.93	1,120.84	794.23					
Supplies and materials	49,007.82	8,928.53							
Other objects		259,797.70							
Total support services	61,346.78	7,640,404.04	1,120.84	32,144.60	199,796.00	163,036.08			
Total expenditures	92,229.06	12,117,965.61	1,120.84	45,876.00	199,796.00	163,036.08	52,013.59	56,054.76	237,989.83
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1									
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

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FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Home Instruction	Ch 192 Comp. Education	Non-Public Ch 193 Examination & Class.	Ch. 193 Corrective Speech	Ch. 193 Supp. Instruction	Student Activities	Local Programs	TOTAL
REVENUES:								
State sources	\$334.00	\$39,880.85	\$34,317.89	\$17,670.00	\$28,910.00	\$656,751.44	\$1,572,360.72	\$12,365,193.45
Federal sources								4,303,253.95
Other sources								2,858,884.16
Total revenues	334.00	39,880.85	34,317.89	17,670.00	28,910.00	656,751.44	1,572,360.72	19,527,331.56
EXPENDITURES:								
Instruction:								
Salaries - teachers							14,100.00	3,138,666.04
Other salaries for instruction								1,357,659.75
Purchased professional educational services								1,133,314.76
Other purchased services	334.00	39,880.85	34,317.89	17,670.00	28,910.00			488,898.18
Tuition								1,549,565.05
General supplies							28,252.90	466,808.72
Textbooks								52,013.59
Other objects							1,356.97	1,356.97
Total instruction	334.00	39,880.85	34,317.89	17,670.00	28,910.00		43,709.87	8,188,283.06
Support services:								
Personal services - salaries								2,254,250.56
Personal services - employee benefits								1,929,534.08
Purchased professional services							1,486,300.00	4,189,492.22
Other purchased services							35,560.78	1,803,488.42
Supplies and materials						568,339.25	6,790.07	200,916.65
Other objects								872,954.38
Total support services						568,339.25	1,528,650.85	11,250,636.31
Total expenditures	334.00	39,880.85	34,317.89	17,670.00	28,910.00	568,339.25	1,572,360.72	19,438,919.37
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	88,412.19	\$-0-	\$88,412.19
Fund Balance, July 1						334,283.86		334,283.86
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$422,696.05	\$-0-	\$422,696.05

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 3,103,730.00	\$ 3,093,683.76	\$ 10,046.24
Other salaries - instruction	974,866.65	966,946.27	7,920.38
Purchased professional services	369,903.97	369,903.90	0.07
Other purchased services	50,000.00		50,000.00
General supplies	599,250.00	47,027.64	552,222.36
Other Objects	80,000.00		80,000.00
Total instruction	5,177,750.62	4,477,561.57	700,189.05
Support services:			
Salaries - supervisors of instruction	112,498.00	112,497.84	0.16
Salaries - program directors	254,331.16	254,331.16	
Salaries - other professional staff	126,154.77	50,387.78	75,766.99
Salaries - secretarial and clerical	344,781.42	344,781.42	
Other salaries	699,479.70	699,479.70	
Salaries - community parent involvement spec	8,250.00	5,170.00	3,080.00
Salaries - master teachers	324,468.00	312,341.51	12,126.49
Benefits	1,845,564.81	1,845,564.81	
Purchased Educational Services- Contracted Pre-K	3,212,040.00	3,169,775.01	42,264.99
Purchased Educational Services- Head Start	300,870.00	300,870.00	
Other Purchased Professional Educational Services	50,000.00	2,159.00	47,841.00
Other Purchased Services	100,000.00	69,202.65	30,797.35
Rentals	69,155.84		69,155.84
Contr Serv-Trans (Bet. Home & School)	200,552.68	200,552.68	
Contr Serv-Trans (Field Trips)	20,000.00		20,000.00
Travel	30,903.00	4,564.25	26,338.75
Supplies and Materials	50,000.00	8,928.53	41,071.47
Other Objects	10,000.00		10,000.00
Total support services	7,759,049.38	7,380,606.34	378,443.04
Facilities acquisition and construction services:			
Equipment - Instructional	550,000.00	259,797.70	290,202.30
Equipment - Non-Instructional	100,000.00		100,000.00
Total facilities acquisition and construction services	650,000.00	259,797.70	390,202.30
Total expenditures	\$ 13,586,800.00	\$ 12,117,965.61	\$ 1,468,834.39

CALCULATION OF BUDGET AND CARRYOVER

Total 2024-2025 Pre-K/ECPA Allocation	\$ 10,748,988.00
Add: Actual ECPA Carryover (June 30, 2024)	5,815,598.16
Add: Prior Year Cancelled Payables- Pre-K	711,204.00
Add: Budgeted Transfer From General Fund	629,772.00
Total Funds Available for 2024-2025 Budget	17,905,562.16
Less: 2024-2025 Budgeted Pre-K (including prior year carryover)	(13,586,800.00)
Available & Unbudgeted Pre-K Funds as of June 30, 2025	\$ 4,318,762.16
Add: June 30, 2025 Unexpended Pre-K	1,468,834.39
2024-2025 Actual Carryover - Pre-K	\$ 5,787,596.55
2024-2025 Pre-K Carryover Budgeted in 2025-2026	\$ 3,607,558.00

CAPITAL PROJECTS FUND DETAIL STATEMENTS
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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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

REVENUES AND OTHER FINANCING SOURCES:

ROD Grant	\$ <u>1,009,470.00</u>
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Total revenues and other financing sources	\$ <u>1,009,470.00</u>
--	------------------------

EXPENDITURES AND OTHER FINANCING USES:

Capital outlay	
----------------	--

Other purchased professional and technical services	\$ 17,766.78
---	--------------

Construction services	<u>2,433,348.52</u>
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Total expenditures and other financing uses	\$ <u>2,451,115.30</u>
---	------------------------

Excess (deficiency) of revenues over (under) expenditures	\$ (1,441,645.30)
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Fund balance - July 1	<u>2,387,914.87</u>
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Fund balance - June 30	\$ <u><u>946,269.57</u></u>
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Reconciliation to GAAP Basis:

Less: Unearned Revenue (GAAP Basis)	\$ <u>(37,823.47)</u>
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Total fund balance (Deficit) - GAAP basis (B-2)	\$ <u><u>908,446.10</u></u>
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FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - FY 25 VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State Sources-ROD Grant	\$	\$ 1,009,470.00	\$ 1,009,470.00	\$ 1,009,470.00
Transfer From Capital Reserve		<u>1,582,533.00</u>	<u>1,582,533.00</u>	<u>1,582,530.00</u>
Total revenues and other financing sources	\$	\$ <u>2,592,003.00</u>	\$ <u>2,592,003.00</u>	\$ <u>2,592,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$	\$	\$	\$
Construction services		<u>2,429,116.32</u>	<u>2,429,116.32</u>	<u>2,592,000.00</u>
Total expenditures and other financing uses	\$	\$ <u>2,429,116.32</u>	\$ <u>2,429,116.32</u>	\$ <u>2,592,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$	\$ <u>162,886.68</u>	\$ <u>162,886.68</u>	
ADDITIONAL PROJECT INFORMATION:				
Project numbers	35-1610-050-23-R501			
	35-1610-800-23-R501			
Grant date	11/30/23			
Debt authorization date				
Debt authorized (adjusted)				
Debt issued				
Original authorized cost	\$2,523,675.00			
Additional authorized cost	\$68,325.00			
Revised authorized cost	\$2,592,000.00			
Percentage increase over original authorized cost	2.71%			
Percentage completion	93.72%			

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - FY 24 VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Capital Reserve	\$ 2,300,000.00	\$ (1,582,530.00)	\$ 717,470.00	\$ 717,470.00
Total revenues and other financing sources	\$ 2,300,000.00	\$ (1,582,530.00)	\$ 717,470.00	\$ 717,470.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 40,729.17	\$ 11,302.30	\$ 52,031.47	\$ 53,200.00
Construction services	443,419.38		443,419.38	664,270.00
Total expenditures and other financing uses	\$ 484,148.55	\$ 11,302.30	\$ 495,450.85	\$ 717,470.00
Excess (deficiency) of revenues over (under) expenditures	\$ 1,815,851.45	\$ (1,593,832.30)	\$ 222,019.15	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized (adjusted)				
Debt issued				
Original authorized cost	\$2,300,000.00			
Additional authorized cost	(\$1,582,530.00)			
Revised authorized cost	\$717,470.00			
Percentage increase over original authorized cost		-68.81%		
Percentage completion		69.06%		

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - FY 23 VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Capital Reserve	\$ 3,800,000.00	\$	\$ 3,800,000.00	\$ 3,800,000.00
Total revenues and other financing sources	\$ 3,800,000.00	\$	\$ 3,800,000.00	\$ 3,800,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 213,399.00	\$	\$ 213,399.00	213,399.00
Construction services	2,883,694.40	4,232.20	2,887,926.60	3,234,802.00
Equipment	351,799.00		351,799.00	351,799.00
Total expenditures and other financing uses	\$ 3,448,892.40	\$ 4,232.20	\$ 3,453,124.60	\$ 3,800,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 351,107.60	\$ (4,232.20)	\$ 346,875.40	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized (adjusted)				
Debt issued				
Original authorized cost	\$3,800,000.00			
Additional authorized cost				
Revised authorized cost	\$3,800,000.00			
Percentage increase over original authorized cost				
Percentage completion		90.87%		

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - FY 22 VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Capital Reserve	\$ 3,600,000.00	\$	\$ 3,600,000.00	\$ 3,600,000.00
Total revenues and other financing sources	\$ 3,600,000.00	\$	\$ 3,600,000.00	\$ 3,600,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 32,503.00	\$	\$ 32,503.00	\$ 88,800.00
Construction services	3,247,824.00		3,247,824.00	3,236,649.00
Equipment	274,002.00		274,002.00	274,551.00
Total expenditures and other financing uses	\$ 3,554,329.00	\$	\$ 3,554,329.00	\$ 3,600,000.00
Excess (deficiency) of revenues over (under) expenditures	\$ 45,671.00	\$	\$ 45,671.00	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized				
Debt issued				
Original authorized cost	\$3,600,000.00			
Additional authorized cost				
Revised authorized cost	\$3,600,000.00			
Percentage increase over original authorized cost				
Percentage completion	98.73%			

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS - FY 21 & PRIOR VARIOUS CAPITAL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer From Food Service	\$ 284,150.00	\$	\$ 284,150.00	\$ 284,150.00
Transfer From Capital Outlay	1,158,091.00		1,158,091.00	1,158,091.00
Transfer From Capital Projects	9,317,072.00		9,317,072.00	9,317,072.00
Total revenues and other financing sources	\$ 10,759,313.00	\$	\$ 10,759,313.00	\$ 10,759,313.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 450,243.00	\$ 6,464.48	\$ 456,707.48	\$ 450,243.00
Construction services	9,677,032.18		9,677,032.18	9,852,317.00
Equipment	175,676.00		175,676.00	175,676.00
Transfer to other projects	281,077.00		281,077.00	281,077.00
Total expenditures and other financing uses	\$ 10,584,028.18	\$ 6,464.48	\$ 10,590,492.66	\$ 10,759,313.00
Excess (deficiency) of revenues over (under) expenditures	\$ 175,284.82	\$ (6,464.48)	\$ 168,820.34	
ADDITIONAL PROJECT INFORMATION:				
Project number				
Grant date				
Debt authorization date				
Debt authorized				
Debt issued				
Original authorized cost	\$10,759,313.00			
Additional authorized cost				
Revised authorized cost	\$10,759,313.00			
Percentage increase over original authorized cost				
Percentage completion	98.43%			

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

ISSUE / PROJECT TITLE	ORIGINAL DATE	APPROPRIATION	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2025
			PRIOR YEARS	CURRENT YEAR *	
FY 25 Various Capital Improvements	FY 25	\$ 2,592,000.00	\$	2,429,116.32	\$ 162,883.68
FY 24 Various Capital Improvements	FY 24	717,470.00	484,148.55	11,302.30	222,019.15
FY 23 Various Capital Improvements	FY 23	3,800,000.00	3,448,892.40	4,232.20	346,875.40
FY 22 Various Capital Improvements	FY 22	3,600,000.00	3,554,329.00		45,671.00
FY 21 & Prior Various Capital Improvements	FY 21	10,759,313.00	10,584,028.18	6,464.48	168,820.34
		\$ 21,468,783.00	\$ 18,071,398.13	\$ 2,451,115.30	\$ 946,269.57

* - includes adjustments for closed projects, if applicable

PROPRIETARY FUNDS

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - ENTERPRISE FUND
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,756,544.86	\$ 2,756,544.86
Accounts receivable:		
Federal	540,860.16	540,860.16
State	41,719.53	41,719.53
Other	63,695.51	63,695.51
Interfunds receivable	11,767.00	11,767.00
Inventories	80,641.94	80,641.94
Total current assets	\$ 3,495,229.00	\$ 3,495,229.00
Noncurrent assets:		
Furniture, machinery and equipment	\$ 1,843,853.95	\$ 1,843,853.95
Less accumulated depreciation	(1,237,920.00)	(1,237,920.00)
Total noncurrent assets	\$ 605,933.95	\$ 605,933.95
Total assets	\$ 4,101,162.95	\$ 4,101,162.95
DEFERRED OUTFLOW OF RESOURCES:		
Related to pensions	\$ 80,020.00	\$ 80,020.00
Total deferred outflow of resources	\$ 80,020.00	\$ 80,020.00
LIABILITIES:		
Current liabilities:		
Unearned revenue	\$ 73,998.20	\$ 73,998.20
Noncurrent liabilities:		
Net pension liability	376,431.00	376,431.00
Total liabilities	\$ 450,429.20	\$ 450,429.20
DEFERRED INFLOW OF RESOURCES:		
Related to pensions	\$ 68,150.00	\$ 68,150.00
Total deferred inflow of resources	\$ 68,150.00	\$ 68,150.00
NET POSITIONS:		
Net investment in capital assets	\$ 605,933.95	\$ 605,933.95
Unrestricted	3,056,669.80	3,056,669.80
Total net positions	\$ 3,662,603.75	\$ 3,662,603.75

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

EXHIBIT "G-2"

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$ 795,431.39	\$ 795,431.39
Daily sales - non-reimbursable programs	78,669.04	78,669.04
Total operating revenues	\$ 874,100.43	\$ 874,100.43
OPERATING EXPENSES:		
Cost of sales - reimbursable programs	\$ 2,064,773.42	\$ 2,064,773.42
Cost of sales - non-reimbursable programs	204,208.36	204,208.36
Salaries	2,504,566.85	2,504,566.85
Employee Benefits/Taxes	426,574.54	426,574.54
Purchased Professional Technical Services	8,640.78	8,640.78
Purchased Property Services	225,279.54	225,279.54
Other Purchased Services	4,390.48	4,390.48
Other	4,665.47	4,665.47
Depreciation	61,444.00	61,444.00
Total operating expenses	\$ 5,504,543.44	\$ 5,504,543.44
Operating income (loss)	\$ (4,630,443.01)	\$ (4,630,443.01)
NONOPERATING REVENUES:		
State sources		
State school lunch program	\$ 64,389.54	\$ 64,389.54
State school lunch program-NJEIE	67,039.18	67,039.18
State school breakfast program	44,757.20	44,757.20
State school breakfast program- NJEIE	26,132.45	26,132.45
Federal sources		
National school lunch program	1,858,694.94	1,858,694.94
National school breakfast program	777,638.00	777,638.00
National food distribution commodities	418,982.99	418,982.99
Child and Adult Care Food Program	11,101.31	11,101.31
P-EBT Administrative Cost		
Local Food for Schools Cooperative Program	26,803.36	26,803.36
Interest earned	105,581.30	105,581.30
Total nonoperating revenues	\$ 3,401,120.27	\$ 3,401,120.27
Net income (loss)	\$ (1,229,322.74)	\$ (1,229,322.74)
Total net positions - beginning	\$ 4,891,926.49	\$ 4,891,926.49
Total net positions - ending	\$ 3,662,603.75	\$ 3,662,603.75

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND	
	FOOD SERVICE FUND	TOTALS
Cash flows from operating activities:		
Receipts from customers	\$ 873,956.99	\$ 873,956.99
Payments to employees	(2,962,911.39)	(2,962,911.39)
Payment to suppliers	(2,520,722.39)	(2,520,722.39)
Net cash provided (used for) by operating activities	\$ (4,609,676.79)	\$ (4,609,676.79)
Cash flows from noncapital financing activities:		
Federal sources	\$ 2,722,559.44	\$ 2,722,559.44
State sources	171,987.96	171,987.96
Net cash provided by (used for) noncapital financing activities	\$ 2,894,547.40	\$ 2,894,547.40
Cash flows from investing activities:		
Interest Earned	\$ 105,581.30	\$ 105,581.30
Net cash provided (used) by investing activities	\$ 105,581.30	\$ 105,581.30
Cash flows from capital and related financing activities		
Purchase of capital assets	\$ (229,763.95)	\$ (229,763.95)
Net cash provided by (used for) capital and related financing activities	\$ (229,763.95)	\$ (229,763.95)
Net increase (decrease) in cash and cash equivalents	\$ (1,839,312.04)	\$ (1,839,312.04)
Cash and cash equivalents - July 1	\$ 4,595,856.90	\$ 4,595,856.90
Cash and cash equivalents - June 30	\$ 2,756,544.86	\$ 2,756,544.86
Operating income (loss)	\$ (4,630,443.01)	\$ (4,630,443.01)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation	61,444.00	61,444.00
Change in assets and liabilities:		
(Increase) Decrease in operating accounts receivable	(286.09)	(286.09)
(Increase) Decrease in inventory	(7,609.87)	(7,609.87)
Increase/(Decrease) in accounts payable	(1,154.47)	(1,154.47)
Increase/(Decrease) in Net Pension Liability	(41,696.00)	(41,696.00)
Increase/(Decrease) in Deferred Inflows of Resources	(5,957.00)	(5,957.00)
(Increase)/Decrease in Deferred Outflows of Resources	15,883.00	15,883.00
Increase (Decrease) in unearned revenue	142.65	142.65
Net cash provided (used) by operating activities	\$ (4,609,676.79)	\$ (4,609,676.79)

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 JUNE 30, 2025

	HEALTH PLAN	WORKERS COMPENSATION PLAN	TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
LIABILITIES:			
Accrued liabilities	5,310,000.00	2,586,914.00	7,896,914.00
Total liabilities	\$ 5,310,000.00	\$ 2,586,914.00	\$ 7,896,914.00
NET POSITIONS:			
Unrestricted (deficit)	(5,310,000.00)	(2,586,914.00)	(7,896,914.00)
Total net positions	\$ (5,310,000.00)	\$ (2,586,914.00)	\$ (7,896,914.00)

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	HEALTH PLAN	WORKERS COMPENSATION PLAN	TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
OPERATING REVENUES:			
Charges for services:			
Services provided to other funds	\$ 33,444,532.20	\$ 1,028,043.69	\$ 34,472,575.89
Rebates	<u>1,597,631.03</u>		<u>1,597,631.03</u>
Total operating revenues	<u>\$ 35,042,163.23</u>	<u>\$ 1,028,043.69</u>	<u>\$ 36,070,206.92</u>
OPERATING EXPENSES:			
Employee Benefits/Taxes	\$ 39,534,349.19	\$ 3,597,452.69	\$ 43,131,801.88
Other	<u>817,814.04</u>	<u>17,505.00</u>	<u>835,319.04</u>
Total operating expenses	<u>\$ 40,352,163.23</u>	<u>\$ 3,614,957.69</u>	<u>\$ 43,967,120.92</u>
Operating income (loss)	<u>\$ (5,310,000.00)</u>	<u>\$ (2,586,914.00)</u>	<u>\$ (7,896,914.00)</u>
Net income (loss)	<u>\$ (5,310,000.00)</u>	<u>\$ (2,586,914.00)</u>	<u>\$ (7,896,914.00)</u>
Total net positions - beginning	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total net positions - ending (deficit)	<u>\$ (5,310,000.00)</u>	<u>\$ (2,586,914.00)</u>	<u>\$ (7,896,914.00)</u>

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>HEALTH PLAN</u>	<u>WORKERS COMPENSATION PLAN</u>	<u>TOTAL GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND</u>
Cash flows from operating activities:			
Receipts from customers and other funds	\$ 35,042,163.23	\$ 1,048,043.69	\$ 36,090,206.92
Payment for employee benefits	<u>(35,042,163.23)</u>	<u>(1,048,043.69)</u>	<u>(36,090,206.92)</u>
Net cash provided (used for) by operating activities	\$ _____	\$ _____	\$ _____
Operating income (loss)	\$ (5,310,000.00)	\$ (2,586,914.00)	\$ (7,896,914.00)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation			
Change in assets and liabilities:			
Increase/(Decrease) in Claims Payable	<u>5,310,000.00</u>	<u>2,586,914.00</u>	<u>7,896,914.00</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____	\$ _____

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

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LONG-TERM LIABILITY SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchase Agreements

FRANKLIN TOWNSHIP SCHOOL DISTRICT
LONG-TERM LIABILITY
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2024</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2025</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Refunding Bonds	5/26/16	\$ 8,700,000.00	8/15/25	\$ 2,180,000.00	3.000%			
			8/15/26	2,140,000.00	4.000%	6,540,000.00	2,220,000.00	4,320,000.00
Refunding School Bonds	7/7/21	56,420,000.00	2/1/26	4,555,000.00	1.090%			
			2/1/27	4,610,000.00	1.348%			
			2/1/28	4,680,000.00	1.498%			
			2/1/29	4,755,000.00	1.623%			
			2/1/30	4,845,000.00	1.723%			
			2/1/31	4,840,000.00	1.823%			
			2/1/32	4,780,000.00	2.003%			
			2/1/33	4,725,000.00	2.103%			
			2/1/34	4,665,000.00	2.223%			
			2/1/35	4,610,000.00	2.323%			
						\$ 51,575,000.00	\$ 4,510,000.00	\$ 47,065,000.00
						\$ 58,115,000.00	\$ 6,730,000.00	\$ 51,385,000.00

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
AS OF JUNE 30, 2025

<u>PURPOSE</u>	<u>DATE OF CONTRACT</u>	<u>TERM IN YEARS</u>	<u>BALANCE JUNE 30, 2024</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2025</u>
ESIP	11/13/14	20	\$ 5,275,000.00	\$	\$ 358,000.00	\$ 4,917,000.00
ChromeBooks	6/15/21	4	257,562.10		257,562.10	
MacBooks	7/15/21	3	327,299.75		327,299.75	
ChromeBooks	6/1/22	3	573,619.41		283,240.81	290,378.60
Server Upgrade	8/15/22	4	203,605.21		65,250.27	138,354.94
Copier	7/12/23	5	114,772.53		25,576.78	89,195.75
Copier	11/30/23	5	23,759.21		4,658.03	19,101.18
Apple (Hardware)	7/15/24	4		1,224,682.99	280,646.82	944,036.17
				<u>1,224,682.99</u>	<u>280,646.82</u>	<u>944,036.17</u>
			\$ 6,775,618.21	\$ 1,224,682.99	\$ 1,602,234.56	\$ 6,398,066.64
			<u>\$ 6,775,618.21</u>	<u>\$ 1,224,682.99</u>	<u>\$ 1,602,234.56</u>	<u>\$ 6,398,066.64</u>

FRANKLIN TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 6,957,700.00	\$ 6,957,700.00	\$
State Sources:			
Debt Service Aid	<u>857,483.00</u>	<u>857,483.00</u>	<u></u>
Total Revenues	\$ <u>7,815,183.00</u>	\$ <u>7,815,183.00</u>	\$ <u></u>
EXPENDITURES:			
Regular Debt Service:			
Interest	\$ 1,085,183.00	\$ 1,085,182.32	\$ 0.68
Redemption of Principal	<u>6,730,000.00</u>	<u>6,730,000.00</u>	<u></u>
Total Debt Service	\$ <u>7,815,183.00</u>	\$ <u>7,815,182.32</u>	\$ <u>0.68</u>
Total Expenditures	\$ <u>7,815,183.00</u>	\$ <u>7,815,182.32</u>	\$ <u>0.68</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u></u>	\$ <u>0.68</u>	\$ <u>0.68</u>
Fund Balance, July 1		<u>5,038.00</u>	
Fund Balance, June 30		\$ <u><u>5,038.68</u></u>	

STATISTICAL SECTION
(UNAUDITED)

FRANKLIN TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	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 is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$60,837,763	\$53,673,370	\$64,955,227	\$59,838,205	\$57,367,427	\$50,024,411	\$44,040,614	\$62,613,681	\$51,827,177	\$48,328,719
Restricted	8,053,185	13,140,032	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678
Unrestricted (deficit)	(40,633,646)	(36,393,972)	(39,083,316)	(41,117,324)	(47,331,208)	(52,072,020)	(50,110,540)	(46,286,757)	(43,909,435)	(40,364,250)
Total governmental activities net position	<u>\$28,257,302</u>	<u>\$30,419,430</u>	<u>\$43,814,657</u>	<u>\$32,738,678</u>	<u>\$27,391,200</u>	<u>\$14,980,887</u>	<u>\$7,010,406</u>	<u>\$31,782,205</u>	<u>\$25,962,566</u>	<u>\$20,348,147</u>
Business-type activities										
Net investment in capital assets	\$605,934	\$437,614	\$361,727	\$658,225	\$710,768	\$757,576	\$624,205	\$805,981	\$814,088	\$418,684
Unrestricted	3,056,670	4,454,312	4,492,724	4,258,753	1,764,036	1,033,870	1,181,260	(696,702)	(1,217,275)	(1,061,651)
Total business-type activities net position	<u>\$3,662,604</u>	<u>\$4,891,926</u>	<u>\$4,854,451</u>	<u>\$4,916,978</u>	<u>\$2,474,804</u>	<u>\$1,791,446</u>	<u>\$1,805,465</u>	<u>\$109,279</u>	<u>(\$403,187)</u>	<u>(\$642,967)</u>
District-wide										
Net investment in capital assets	\$61,443,697	\$54,110,984	\$65,316,954	\$60,496,430	\$58,078,195	\$50,781,987	\$44,664,819	\$63,419,662	\$52,641,265	\$48,747,403
Restricted	8,053,185	13,140,032	17,942,746	14,017,797	17,354,981	17,028,496	13,080,332	15,455,281	18,044,824	12,383,678
Unrestricted (deficit)	(37,576,977)	(31,939,659)	(34,590,592)	(36,858,571)	(45,567,172)	(51,038,150)	(48,929,280)	(46,983,459)	(45,126,710)	(41,425,901)
Total district net position	<u>\$31,919,906</u>	<u>\$35,311,357</u>	<u>\$48,669,108</u>	<u>\$37,655,656</u>	<u>\$29,866,004</u>	<u>\$16,772,333</u>	<u>\$8,815,871</u>	<u>\$31,891,484</u>	<u>\$25,553,379</u>	<u>\$19,705,180</u>

Source: ACFR Schedule A-1

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities										
Instruction:										
Regular	\$63,925,841	\$61,162,780	\$37,146,396	\$86,351,899	\$89,174,956	\$80,580,044	\$82,813,828	\$82,444,687	\$78,178,024	\$73,391,280
Special education	39,379,076	39,153,652	19,278,731	32,455,782	37,280,395	32,483,731	30,753,643	32,967,859	32,397,349	30,163,329
Other Special Education			5,747,321	9,276,817	9,368,249	8,602,534	8,976,461	8,350,055	8,437,515	4,264,395
Other instruction	33,281,526	34,895,669	1,854,208	3,061,507	2,522,719	2,576,587	2,672,974	2,804,768	2,784,142	3,176,903
Nonpublic school programs										
Support Services:										
Tuition			6,648,875							
Student & instruction related services	43,068,714	37,027,599	30,836,532	25,193,526	24,315,008	24,335,526	25,575,140	25,286,241	23,648,296	21,534,055
School administrative services	9,718,811	9,227,117	5,912,007	9,269,729	10,323,389	9,556,210	9,576,676	9,386,829	9,044,353	8,048,181
Other Administrative Services	7,990,655.09	7,470,274.24	2,910,200	3,023,851	2,860,450	2,912,835	2,714,208	2,959,436	2,602,963	2,519,964
Plant operations and maintenance	17,803,966	17,646,930	12,370,245	23,383,794	19,522,304	19,755,230	23,154,959	18,678,318	17,727,151	17,306,672
Student transportation services	19,317,442	19,344,019	16,337,371	15,528,748	11,374,087	12,764,018	13,316,912	14,050,861	14,113,143	13,746,290
Unallocated Benefits			44,894,055							
Transfer to Charter Schools			19,149,591							
Interest & Other Charges	1,042,543	1,071,011	764,243	2,419,655	2,511,922	3,088,036	3,349,598	3,458,717	3,765,864	3,910,083
Capital Asset Adjustment			1,500							
Unallocated Depreciation			4,753,930							
Total governmental activities expenses	\$235,528,575	\$226,999,051	\$208,605,205	\$209,965,307	\$209,253,479	\$196,654,754	\$202,904,399	\$200,387,771	\$192,698,800	\$178,081,152
Business-type activities:										
Food Service	\$5,504,543	\$4,580,487	\$3,931,737	\$5,272,984	\$2,847,126	\$3,087,479	\$3,669,174	\$3,207,689	\$3,679,443	\$3,903,479
Child Care					251,344	398,804	1,052,787	818,595	789,480	720,928
Total business-type activities expense	\$5,504,543	\$4,580,487	\$3,931,737	\$5,272,984	\$3,098,470	\$3,486,283	\$4,721,961	\$4,026,284	\$4,468,923	\$4,624,407
Total district expenses	\$241,033,119	\$231,579,538	\$212,536,942	\$215,238,291	\$212,351,949	\$200,141,037	\$207,626,360	\$204,414,055	\$197,167,723	\$182,685,559
PROGRAM REVENUES										
Governmental activities:										
Charges for services				\$196,376	\$286,149	\$283,417	\$85,455	\$454,345	\$501,492	\$492,641
Instruction(Regular)								\$22,958	\$4,041	\$17,680
Pupil Transportation					\$4,980	\$11,974	\$19,365	\$22,000	\$35,142	\$27,219
Operations and Maintenance				\$54,995,220	\$65,649,610	\$49,031,286	\$53,013,409	\$61,786,833	\$55,288,979	\$43,431,077
Operating grants and contributions	\$31,985,447	\$37,363,930	\$39,063,920	\$977,895	\$22,485	\$214,128	\$859,068	\$384,562	\$833,578	\$1,986,585
Capital grants and contributions										
Total governmental activities program revenues	\$32,325,407	\$37,426,954	\$39,063,920	\$56,169,491	\$65,963,224	\$49,540,805	\$53,977,297	\$62,670,698	\$56,663,232	\$45,935,202
Business-type activities:										
Charges for services				\$1,835,165	\$938,734	\$786,919	\$1,206,869	\$1,214,783	\$1,273,769	\$1,280,300
Food Service	\$874,100	\$1,509,194	\$930,072	132,007	90,954	657,355	757,065	787,705	931,737	875,555
Child Care				6,156,912	2,748,677	2,005,576	2,478,996	2,521,957	2,677,555	2,613,245
Operating grants and contributions	3,295,539	3,047,741	3,165,181							
Total business type activities program revenues	\$4,169,639	\$4,556,935	\$4,095,253	\$8,124,084	\$3,778,365	\$3,449,850	\$4,442,930	\$4,524,445	\$4,883,061	\$4,769,100
Total district program revenues	\$36,495,047	\$41,983,888	\$43,159,173	\$64,293,575	\$69,741,589	\$52,990,655	\$58,420,227	\$67,195,143	\$61,546,293	\$50,704,302
NET (EXPENSE)/REVENUE										
Governmental activities	(\$203,203,168)	(\$189,572,098)	(\$169,541,285)	(\$153,795,816)	(\$143,290,255)	(\$147,113,949)	(\$148,927,102)	(\$137,717,073)	(\$136,035,568)	(\$132,125,950)
Business-type activities	(1,334,904)	(23,552)	163,516	2,851,100	679,895	(36,433)	(279,031)	498,161	\$414,138	\$144,693
Total government-wide net expense	(\$204,538,072)	(\$189,595,650)	(\$169,377,769)	(\$150,944,716)	(\$142,610,360)	(\$147,150,382)	(\$149,206,133)	(\$137,218,912)	(\$135,621,430)	(\$131,981,257)

FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes	\$162,114,985	\$157,818,035	\$151,058,310	\$148,096,382	\$145,192,531	\$141,128,111	\$137,531,420	\$132,453,496	\$129,856,369	\$127,310,166
Taxes levied for debt service	6,957,700	6,569,014	7,291,332	7,756,914	7,880,853	8,010,008	7,832,968	8,095,840	8,171,550	6,830,644
Federal & State Aid Not Restricted	27,621,330	25,269,563	9,202,253	6,413,239	6,178,020	6,175,145	6,173,944	6,162,208	6,118,413	5,606,723
Federal & State Aid Restricted			8,631,667							
Tuition Charges			157,041							
Miscellaneous income	3,021,274	2,334,732	2,166,007	672,765	545,117	623,420	1,936,577	635,398	676,348	327,667
Investment Earnings				9,707	126,576	539,160	724,612	517,945	607,324	277,087
Transfers				413,280					179,150	
Total governmental activities	\$198,715,289	\$191,991,344	\$178,506,610	\$163,362,287	\$159,923,097	\$156,475,844	\$154,199,521	\$147,864,887	\$145,609,154	\$140,352,287
Business-type activities:										
Miscellaneous income	\$105,581.30	\$61,027.62	\$8,818	\$4,894	\$3,463	\$22,414	\$37,928	\$14,305	\$4,792	\$2,073
Special Items			(\$234,861)						(179,150)	
Transfers		61,028	(226,043)	(408,926)	3,463	22,414	37,928	14,305	(174,358)	2,073
Total business-type activities	105,581	\$192,052,372	\$178,280,567	\$162,953,361	\$159,926,560	\$156,498,258	\$154,237,449	\$147,879,192	\$145,434,796	\$140,354,360
Total government-wide	\$199,820,870	\$192,052,372	\$178,280,567	\$162,953,361	\$159,926,560	\$156,498,258	\$154,237,449	\$147,879,192	\$145,434,796	\$140,354,360
CHANGE IN NET POSITION										
Governmental activities	(\$3,487,880)	\$2,419,246	\$8,965,325	\$9,566,471	\$16,632,842	\$9,361,895	\$5,272,419	\$10,147,814	\$9,573,586	\$8,226,337
Business-type activities	(1,229,323)	37,475	(62,527)	2,442,174	683,358	(14,019)	(241,103)	512,466	239,780	146,766
Total district	(\$4,717,202)	\$2,456,722	\$8,902,798	\$12,008,645	\$17,316,200	\$9,347,876	\$5,031,316	\$10,660,280	\$9,813,366	\$8,373,103

Source: ACFR Schedule A-2

FRANKLIN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable										
Restricted	\$6,505,323	\$11,771,079				\$560,940	\$1,841,766	\$12,200	\$12,200	\$21,876
Committed		1,000,000			\$20,543,544	17,052,241	15,718,429	694,066		
Assigned	3,226,513	1,191,730	\$15,983,984	\$16,035,058	815,901	2,365,147	1,219,687	17,411,830	16,663,302	13,106,296
Unassigned	12,605	1,713,004	2,013,316	1,577,160	3,623,344	577,727	694,680	832,138	253,335	118,255
Total general fund	<u>\$9,744,441</u>	<u>\$15,675,813</u>	<u>\$20,350,356</u>	<u>\$21,647,329</u>	<u>\$24,982,789</u>	<u>\$20,556,055</u>	<u>\$19,474,562</u>	<u>\$19,764,072</u>	<u>\$17,509,255</u>	<u>\$13,531,069</u>
All Other Governmental Funds										
Restricted	\$1,331,142	\$2,722,199	\$1,958,762	\$1,918,778	\$4,527,267	\$7,175,836	\$8,183,410	\$19,888,865	\$56,933,623	\$80,207,818
Assigned	5,038									
Unassigned/ (Deficit)	<u>(1,074,898)</u>	<u>(897,187)</u>	<u>(776,564)</u>	<u>\$1,918,778</u>	<u>(589,826)</u>	<u>(497,877)</u>				
Total all other governmental funds	<u>\$261,282</u>	<u>\$1,825,012</u>	<u>\$1,182,198</u>	<u>\$1,918,778</u>	<u>\$3,937,441</u>	<u>\$6,677,959</u>	<u>\$8,183,410</u>	<u>\$19,888,865</u>	<u>\$56,933,623</u>	<u>\$80,207,818</u>

Source: ACFR Schedule B-1

**FRANKLIN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Tax levy	\$169,072,665	\$164,387,049	\$158,349,642	\$155,853,296	\$153,073,384	\$149,136,119	\$145,364,388	\$140,549,336	\$138,027,919	\$134,140,810
Tuition charges	339,960	63,024	157,041							
Interest on Investment			2,000	9,707	126,576	539,160	724,612	517,945	607,324	277,087
Interest on capital reserve										
Rents and royalties	3,021,274	2,334,732	43,961	1,293,507	1,076,909	940,844	2,058,835	1,147,666	1,677,775	881,268
Miscellaneous	70,477,396	67,422,199	57,484,838	55,861,884	47,280,087	41,780,760	40,512,536	36,199,353	33,493,455	30,928,420
State sources	4,751,340	8,273,046	8,631,667	6,060,188	4,504,773	3,255,925	338,594	3,494,233	3,642,261	3,766,543
Federal sources										
Total revenue	247,662,655	242,486,050	227,203,659	219,078,582	206,061,729	195,654,808	188,998,965	181,906,533	177,448,734	169,994,126
Expenditures										
Instruction										
Regular instruction	37,707,827	36,300,559	37,146,396	88,170,217	80,359,607	74,198,430	74,343,790	66,453,755	62,041,442	61,155,988
Special education instruction	20,724,840	20,570,906	19,278,731	33,294,392	34,142,889	30,291,516	27,989,359	27,601,435	27,558,120	26,605,432
Other special instruction			5,747,321	3,088,189	2,207,402	2,334,780	2,347,837	2,255,080	2,228,508	2,521,611
Other instruction	31,368,693	28,427,236	1,854,208	9,641,090	8,098,514	7,671,057	7,696,343	6,360,406	6,538,363	4,264,542
Support Services:										
Tuition	8,203,402	9,786,700	6,648,875	25,666,566	22,283,702	23,127,780	23,443,429	21,388,567	20,539,951	20,358,885
Student & instruction related services	34,084,907	29,930,595	30,836,532	9,618,301	9,204,882	8,633,825	8,484,944	7,439,705	7,244,714	6,968,106
General Administrative services	2,253,344	5,825,326	5,912,007	2,733,559	2,763,096	2,874,155	2,634,719	2,731,384	2,420,246	2,429,740
School Administrative services	5,812,306,29	2,088,749,49	2,910,200	17,414,803	14,677,034	15,096,317	18,039,493	16,478,657	16,272,328	16,665,237
Plant operations and maintenance	13,974,845	14,913,839	13,194,983	15,355,199	11,241,673	12,666,835	13,180,793	13,245,003	13,456,970	13,087,024
Student transportation services	18,629,117	18,761,985	16,337,371	3,485,089	3,885,906	2,799,793	3,664,299	3,630,295	3,440,528	2,907,905
Other Support Services	3,001,599	3,064,045								
Employee Benefits	66,614,639	67,112,311	59,209,351							
Transfer to Charter School			19,149,591							
Capital Outlay			3,791,374	4,603,471	6,876,304	7,364,709	15,038,020	39,484,936	24,647,177	10,879,891
Debt service:										
Principal	6,730,000	6,680,000	7,647,081	7,677,681	7,210,486	7,082,005	6,920,341	5,915,000	6,691,529	4,085,717
Interest and other charges	1,085,182	1,181,005	1,555,751	2,552,360	2,733,215	3,307,696	3,505,777	3,714,251	3,844,017	4,029,647
Total expenditures	256,382,439	247,191,361	231,219,772	223,320,907	205,684,710	197,647,898	207,289,144	216,698,474	196,923,893	175,959,725
Excess (Deficiency) of revenues over (under) expenditures	(8,719,784)	(4,705,311)	(4,016,113)	(4,242,325)	377,019	(1,993,090)	(18,290,179)	(34,789,941)	(19,475,159)	(5,965,597)
Other Financing sources (uses)										
Financing Agreement Proceeds	1,224,663	673,562								
Refunding Bonds issued				56,420,000						8,700,000
Payment to refunded bonds escrow agent				(59,087,298)						(9,851,130)
Original Issue Premium										1,259,043
Long-Term debt issued			3,800,000	7,016,085	359,537	4,548,213	(382,455)	6,226,843	2,618,928	4,081,918
Transfers in	629,772	2,719,502								
State aid receivable canceled										
Transfers out	(629,772)	(2,719,502)	(3,800,000)	(6,602,265)	(3,590,537)	(4,548,213)	382,455	(6,226,843)	(2,439,778)	(4,081,918)
Total other financing sources (uses)	1,224,663	673,562	(3,800,000)	(2,253,478)	(3,231,000)	(4,548,213)	382,455	(6,226,843)	179,150	107,913
Net change in fund balances	(\$7,495,101)	(\$4,031,730)	(\$4,016,113)	(\$6,495,803)	(\$2,853,981)	(\$1,993,090)	(\$18,290,179)	(\$34,789,941)	(\$19,296,009)	(\$5,857,684)
Debt service as a percentage of noncapital expenditures	3.12%	3.21%	4.05%	4.68%	5.00%	5.46%	5.42%	5.43%	6.12%	4.92%

Source: District Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest On</u> <u>Investments</u>	<u>Miscellaneous</u>	<u>Energy Rebates</u> <u>& E-Rate</u>	<u>Tuition</u>	<u>Sale of Computers</u> <u>& Related Supplies</u>	<u>Total</u>
2025	\$235,039	\$90,227	\$144,874	\$339,960		\$810,100
2024	534,931	621,165	98,182	63,024		1,317,303
2023	210,741	1,349,797		196,376		1,756,914
2022	8,817	672,765				681,582
2021	121,039	659,256	29,240			809,535
2020	473,726	356,015	279,379			1,109,120
2019	593,931	609,172			\$1,327,405	2,530,508
2018	248,339	746,635	388,066			1,383,040
2017	109,925	1,069,285	147,738			1,326,948
2016	44,158	677,078	188,129			909,365

Source: District Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2025	\$ 140,403,200	\$ 11,291,889,700	\$ 66,933,400	\$ 1,822,000	\$ 1,789,137,600	\$ 2,425,300,400	\$ 963,510,000	\$ 16,678,996,300	\$ 18,503,100	\$ 16,697,499,400	\$ 1.064	\$ 16,424,417,824
2024	123,374,200	9,688,001,300	56,551,500	1,837,800	1,891,019,100	2,150,838,400	957,710,000	14,869,332,300	18,498,600	14,887,830,900	1.097	14,642,375,480
2023	83,883,000	8,860,401,500	54,549,800		1,887,900,000	1,860,367,600	901,370,000	13,648,471,900	18,304,500	13,666,776,400	1.197	10,222,813,930
2022	84,435,400	7,956,574,100	54,689,400		1,787,877,400	1,782,472,800	841,090,900	12,507,140,000	17,540,778	12,524,680,778	1.254	9,543,734,192
2021	107,001,550	7,184,524,300	50,357,400		1,970,700,000	2,998,303,600	735,160,000	13,046,046,850	17,052,879	13,063,099,729	1.392	9,228,008,397
2020	161,988,450	6,957,200,600	53,604,200		1,649,645,200	1,035,068,400	684,985,000	10,542,481,850	17,052,879	10,559,534,729	1.431	9,704,425,241
2019	165,171,550	6,768,367,300	53,392,900		1,528,973,200	1,031,841,800	634,045,000	10,181,791,750	16,530,933	10,198,322,683	1.444	9,975,717,738
2018	101,772,150	6,521,617,200	55,014,600		1,498,053,600	1,001,819,500	613,370,000	9,791,647,050	15,544,197	9,807,191,247	1.458	8,630,785,045
2017	99,770,650	6,366,488,100	54,362,100		1,502,516,000	929,682,300	542,940,000	9,495,759,150	14,934,510	9,510,693,660	1.465	8,530,379,254
2016	105,991,250	6,264,115,500	55,385,000		1,439,253,800	892,254,300	474,560,700	9,231,560,550	14,642,198	9,246,202,748	1.472	8,673,235,492

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

FRANKLIN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Franklin Township Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate w/o Fire District
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Franklin	County of Somerset	
2025	1.020	0.044	1.064	0.314	0.300	1.678
2024	1.053	0.044	1.097	0.337	0.314	1.748
2023	1.197	*	1.197	0.343	0.328	1.868
2022	1.254	*	1.254	0.369	0.347	1.970
2021	1.392	*	1.392	0.400	0.353	2.145
2020	1.431	*	1.431	0.416	0.350	2.197
2019	1.444	*	1.444	0.428	0.360	2.232
2018	1.458	*	1.458	0.358	0.323	2.139
2017	1.465	*	1.465	0.449	0.348	2.262
2016	1.472	*	1.472	0.460	0.349	2.281

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

* - Data Not Provided

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget 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 TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2025				2016			
	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	
	Bridge Point Somerset, LLC	\$ 222,000,000	1	1.33%	*	1		
	Somerset Logistics Center	147,000,000	2	0.88%	*	2		
	C1 Somerset	127,808,600	3	0.77%	*	3		
	Azure HGI Somerset LP	102,100,000	4	0.61%	*	4		
	Franklin Greens c/o Fieldstone Prof	101,500,000	5	0.61%	*	5		
	Morgan Stanley MGT/Helen Serlis	101,060,000	6	0.61%	*	6		
	Ed Somerset LLC	92,471,500	7	0.55%	*	7		
	PR KC Somersetownco, LP Prude	84,057,500	8	0.50%	*	8		
	Green Hill Manor Villa, LLC	79,600,000	9	0.48%	*	9		
	NHNR Hold Co 21, LLC	78,400,000	10	0.47%	*	10		
	Total	\$ 1,135,997,600		6.80%	\$ -		0.00%	

* - data not available

Source: District ACFR & Franklin Township Municipal Tax Assessor

FRANKLIN TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2025	\$ 169,072,685	\$ 169,072,685	100.00%	-
2024	164,387,049	164,387,049	100.00%	-
2023	158,349,642	158,349,642	100.00%	-
2022	155,853,296	155,853,296	100.00%	-
2021	153,073,384	153,073,384	100.00%	-
2020	149,138,119	149,138,119	100.00%	-
2019	145,364,388	145,364,388	100.00%	-
2018	140,549,336	140,549,336	100.00%	-
2017	138,027,919	138,027,919	100.00%	-
2016	134,140,810	134,140,810	100.00%	-

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Installment Purchase Contracts			
2025	\$ 51,385,000	\$ 6,398,067	\$ 57,783,067	*	846.97
2024	58,115,000	6,775,618	64,890,618	0.79%	951.15
2023	64,795,000	7,383,867	72,178,867	0.93%	1,052.51
2022	71,485,000	8,054,578	79,539,578	1.09%	1,162.38
2021	77,845,000	8,370,579	86,215,579	1.28%	1,305.64
2020	83,960,000	8,156,868	92,116,868	1.41%	1,398.85
2019	89,980,000	9,218,873	99,198,873	1.57%	1,508.06
2018	95,815,000	7,009,000	102,824,000	1.70%	1,565.46
2017	101,510,000	7,229,000	108,739,000	1.89%	1,660.42
2016	107,195,000	8,235,529	115,430,529	2.08%	1,767.97

Source:

Note: 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 are calculated using personal income and population for the prior calendar year.

* - Not available at time of audit

FRANKLIN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2025	\$ 51,385,000	-0-	\$ 51,385,000	0.31%	\$753.19
2024	58,115,000	-0-	58,115,000	0.39%	851.84
2023	64,795,000	-0-	64,795,000	0.47%	944.84
2022	71,485,000	-0-	71,485,000	0.57%	1,044.67
2021	77,845,000	-0-	77,845,000	0.60%	1,178.88
2020	83,960,000	-0-	83,960,000	0.80%	1,274.98
2019	89,980,000	203,025.00	89,776,975	0.88%	1,364.83
2018	95,815,000	209,062.00	95,605,938	0.98%	1,455.57
2017	101,510,000	18,276.00	101,491,724	1.07%	1,549.75
2016	107,195,000	-0-	107,195,000	1.16%	1,641.83

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

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt Apportioned to the Municipality Township of Franklin (1)	\$66,511,474	100.00%	\$66,511,474
Other Debt			
Somerset County (2)	295,206,531	18.74%	55,333,214
Franklin Township Sewerage Authority	21,628,325	100.00%	21,628,325.00
Subtotal, overlapping debt			\$143,473,013
Franklin Township School District Direct Debt			58,115,000
Total direct and overlapping debt			<u>\$201,588,013</u>

Source: (1) Township's 2024 Annual Debt Statement

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

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

(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
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2024

Equalized Valuation Basis

Calendar Year	
2024	\$ 15,191,389,763
2023	14,340,058,308
2022	13,418,238,386
	<u>\$ 42,949,686,457</u>
Average Equalized Valuation of Taxable Property	\$ 14,316,562,152
Debt Limit (4% (a) of average equalization value)	572,662,486
Total Net Debt Applicable to Limit	66,511,474
Legal Debt Margin	<u>\$ 506,151,012</u>

	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limit	\$572,662,486	\$542,674,669	\$465,612,466	\$433,596,696	\$417,344,721	\$398,026,233	\$377,640,821	\$363,506,706	\$357,946,605	\$356,377,811
Total Net Debt Applicable To Limit	66,511,474	63,854,764	71,485,000	77,845,000	83,960,000	89,980,000	95,611,975	101,300,938	107,176,724	111,360,000
Legal Debt Margin	<u>\$506,151,012</u>	<u>\$478,819,905</u>	<u>\$394,127,466</u>	<u>\$355,751,696</u>	<u>\$333,384,721</u>	<u>\$308,046,233</u>	<u>\$282,028,846</u>	<u>\$262,205,768</u>	<u>\$250,769,881</u>	<u>\$245,017,811</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	11.61%	11.77%	15.35%	17.95%	20.12%	22.61%	25.32%	27.87%	29.94%	31.25%

Source: Equalized valuation bases 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 for a K through 12 district; other % limits would be applicable for other district types.

Source: <http://www.state.nj.us/treasury/taxation/lpt/lptvalue.shtml>

FRANKLIN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2025	68,223	*	*	4.4%
2024	68,223	8,260,167,948	121,076	3.9%
2023	68,578	7,771,601,850	113,325	3.50%
2022	68,428	7,318,100,888	106,946	5.90%
2021	66,033	6,710,471,559	101,623	7.90%
2020	65,852	6,516,121,252	98,951	3.10%
2019	65,779	6,327,347,789	96,191	3.50%
2018	65,683	6,037,318,628	91,916	4.00%
2017	65,489	5,742,271,987	87,683	4.40%
2016	65,290	5,560,031,110	85,159	5.00%

Source:

- (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 municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

* - Not available at time of audit.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	487	486	489	483	498	494	493	499	497	495
Special education	342	340	336	338	301	298	296	292	286	285
Support Services:										
Student & instruction related services	153	153	154	155	152	152	151	149	147	146
General administrative services	6	6	6	6	6	6	6	6	6	6
School administrative services	45	45	45	45	47	47	47	47	47	46
Central services	16	16	16	16	19	19	19	19	19	19
Administrative Information Technology	11	11	11	11	9	9	11	11	11	11
Plant operations and maintenance	142	142	141	139	147	146	146	146	146	146
Pupil transportation	14	14	15	17	13	15	15	16	19	21
Total	1,216	1,213	1,213	1,210	1,192	1,186	1,184	1,185	1,178	1,175

Source: District Personnel Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2025	7,975	\$ 241,919,300	30,335	2.88%	756	9.26:1	8.01:1	11.6:1	7,050	6,575	0.33%	93.26%
2024	8,043	237,151,671	29,485	14.50%	755	9.26:1	8.01:1	11.6:1	7,027	6,557	-1.35%	93.31%
2023	8,088	208,285,071	25,752	8.25%	752	9.28:1	8.01:1	11.6:1	7,123	6,614	1.67%	92.85%
2022	7,939	188,864,705	23,789	4.95%	748	10.7:1	9.4:1	12.8:1	7,006	6,540	-1.02%	93.35%
2021	7,936	179,896,488	22,668	-0.55%	746	10.6:1	9.4:1	12.8:1	7,078	6,825	0.60%	96.43%
2020	7,977	181,825,006	22,794	6.12%	734	11.0:1	9.0:1	12.0:1	7,036	6,805	0.54%	96.72%
2019	7,802	167,584,287	21,480	-3.81%	789	7.4:1	10.5:1	11.4:1	6,998	6,643	-1.39%	94.93%
2018	7,243	161,741,170	22,331	11.24%	692	7.4:1	10.5:1	11.4:1	7,097	6,736	-1.47%	94.91%
2017	7,819	156,964,470	20,075	0.11%	704	7.6:1	12.2:1	15.2:1	7,203	6,864	-1.30%	95.29%
2016	7,560	151,600,966	20,053	38.24%	665	11.4:1	9.95:1	10.6:1	7,298	6,966	-17.83%	95.45%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Conerly Road School										
Square Feet	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495	46,495
Capacity (students)	410	410	410	410	410	410	410	410	410	410
Enrollment	409	427	343	433	384	361	310	314	314	350
Elizabeth Ave School										
Square Feet	48,919	58,159	58,159	58,159	58,159	58,159	58,159	58,159	58,159	58,159
Capacity (students)	513	513	513	513	513	513	513	513	513	513
Enrollment	617	582	544	531	494	526	548	555	555	542
Franklin Park School										
Square Feet	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000	99,000
Capacity (students)	773	773	773	773	773	773	773	773	773	773
Enrollment *	842	786	781	739	670	649	647	660	660	671
Franklin Park Annex										
Square Feet	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above
Capacity (students)	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above	incl. above
Enrollment										
Hillcrest School										
Square Feet	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742	56,742
Capacity (students)	488	488	488	488	488	488	488	488	488	488
Enrollment	422	429	411	468	418	441	467	476	476	439
MacAfee Road School										
Square Feet	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069
Capacity (students)	432	432	432	432	432	432	432	432	432	432
Enrollment	413	396	395	418	382	383	395	414	414	405
Pine Grove Manor										
Square Feet	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522	53,522
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	385	388	345	381	372	374	394	395	395	346
Sampson G Smith School										
Square Feet	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910	138,910
Capacity (students)	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051
Enrollment	1,031	1,027	1,036	855 *	812	772	694	704 *	704 *	787
Claremont Elementary										
Square Feet	-	-	-	123,665	123,665	123,665	123,665	123,665	123,665	123,665
Capacity (students)	-	-	-	1,004	1,004	1,004	1,004	1,004	1,004	1,004
Enrollment	-	-	-	708	691	736	706	652	652	694

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - LAST TEN FISCAL YEARS
UNAUDITED

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Franklin Middle School										
Square Feet	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553	222,553
Capacity (students)	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Enrollment	1,093	1,042	980	819	686	794	725	731	667	594
Franklin High School										
Square Feet	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000	343,000
Capacity (students)	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Enrollment	2,127	2,090	2,116	2,186	2,204	2,119	2,122	2,201	2,177	2,117
* - Enrollments are included in the Administrative Base School										
Number of Schools at June 30, 2025	5,691	5,558	7,513	7,297	6,912	6,953	6,838	6,862	6,774	6,635
Elementary = 7										
Middle School = 2										
High School = 1										
Other = 2										

Source: District Facilities Office

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

FRANKLIN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School Facilities										
Franklin Twp High School	179,494	192,574	156,138	232,017	155,307	139,301	234,066	200,139	125,073	125,600
Franklin Middle School	140,473	150,710	122,195	181,579	121,545	109,018	183,182	156,630	97,883	98,295
Conerly Road School	31,216	33,491	27,154	40,351	27,010	24,226	40,707	34,807	21,752	21,843
Elizabeth Ave School	39,020	41,864	33,943	50,439	33,762	30,283	50,884	43,508	27,190	27,304
Franklin Park School	78,041	83,728	67,886	100,877	67,525	60,566	101,768	87,017	54,379	54,609
Hillcrest School	39,020	41,864	33,943	50,439	33,762	30,283	50,884	43,508	27,190	27,304
MacAfee Road School	31,216	33,491	27,154	40,351	27,010	24,226	40,707	34,807	21,752	21,843
Pine Grove Manor School	31,216	33,491	27,154	40,351	27,010	24,226	40,707	34,807	21,752	21,843
Sampson G. Smith School	85,845	92,101	74,675	110,965	74,277	66,622	111,944	95,718	59,817	60,069
Claremont Road School	85,845	92,101	74,675	110,965	74,277	66,622	111,944	95,718	59,817	60,069
Total School Facilities	741,387	795,414	644,919	958,332	641,486	575,372	966,793	826,660	516,604	518,781
Other Facilities										
Administration Building	31,216	33,491	27,154	40,351	27,010	24,226	40,707	34,807	21,752	21,843
Maintenance Building	7,804	8,373	6,789	10,088	6,752	6,057	10,177	8,702	5,438	5,461
Transportation Trailer	-	-	-	-	-	-	-	-	-	-
Total Other Facilities	39,020	41,864	33,943	50,439	33,762	30,283	50,884	43,508	27,190	27,304
Grand Total	780,407	837,278	678,862	1,008,770	675,248	605,655	1,017,677	870,168	543,794	546,085

Source District Records

FRANKLIN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)

EXHIBIT J-20

COVERAGE	LIMITS	COVERAGE	LIMITS
COMMERCIAL PACKAGE POLICY		BOILER & MACHINERY	
PROPERTY		LIMIT PER BREAKDOWN	included
BLANKET BUILDING & CONTENTS(Per Fund)	\$ 506,056,117	PROPERTY DAMAGE	included
BUSINESS INCOME & EXTRA EXPENSE	\$ 250,000	EXPEDITING EXPENSE	\$ 100,000
VALUABLE PAPERS & RECORDS	\$ 50,000	BUSINESS INCOME AND EXTRA EXPENSE	included
DEDUCTIBLE	\$ 25,000	SPOILAGE DAMAGE	\$ 100,000
FINE ARTS	\$ 50,000	HAZARDOUS SUBSTANCE	\$ 250,000
TREES, SHRUBS, PLANTS AND LAWNS	\$ 25,000	DATA RESTORATION	\$ 500,000
IN TRANSIT OR OFF PREMISES	\$ 100,000	DEDUCTIBLE	\$ 5,000
FLOOD EACH OCCURRENCE	\$ 5,000,000	INLAND MARINE	
DEDUCTIBLE	\$ 50,000	BLANKET TOOLS AND EQUIPMENT	\$ 45,494
EARTHQUAKE PER OCCURRENCE	\$ 5,000,000	RENTED AND BORROWED EQUIPMENT EXTENSION LIMIT	\$ 100,000
EARTHQUAKE AGGREGATE	\$ 5,000,000	DEDUCTIBLE	\$ 1,000
DEDUCTIBLES PER OCCURRENCE:	\$ 25,000		
CRIME		COMPREHENSIVE GENERAL LIABILITY	
EMPLOYEE THEFT/INCLUDES FAITHFUL PERFORMANCE	\$ 50,000	EACH OCCURRENCE	\$ 1,000,000
FORGERY OR ALTERATION	\$ 50,000	DAMAGE TO PREMISES RENTED TO YOU	\$ 1,000,000
INSIDE PREMISES - THEFT OF MONEY & SECURITIES	\$ 50,000	MEDICAL EXPENSE	\$ 10,000
INSIDE PREMISES - ROBBERY.SAFE BURGLARY	\$ 5,000	PERSONAL INJURY & ADVERTISING INJURY	\$ 1,000,000
COMPUTER AND FUNDS TRANSFER FRAUD	\$ 50,000	GENERAL AGGREGATE	\$ 3,000,000
MONEY ORDERS	\$ 25,000	PRODUCTS COMPLETED OPERATIONS	\$ 3,000,000
FRAUDULENT IMPERSONATION	\$ 25,000	EMPLOYEE BENEFITS LIABILITY	\$ 1,000,000
DEDUCTIBLE	\$ 1,000	EMPLOYEE BENEFITS LIABILITY AGGREGATE	\$ 2,000,000
		ABUSE OR MOLESTATION LIABILITY	\$ 1,000,000
		ABUSE OR MOLESTATION AGGREGATE	\$ 2,000,000
COVERAGE	LIMITS	COVERAGE	LIMITS
AUTOMOBILE COVERAGE		UMBRELLA POLICY	
SYMBOL 1 ANY AUTO		EACH OCCURRENCE LIMIT	\$ 10,000,000
COMBINED SINGLE LIMIT FOR BODILY INJURY	\$ 1,000,000	AGGREGATE	\$ 10,000,000
AND PROPERTY DAMAGE PER ACCIDENT	\$ 1,000,000	PREMISES POLLUTION LIABILITY INS.	
SYMBOL 6 UNINSURED/UNDERINSURED MOTORIST	\$ 1,000,000	REMEDATION EXPENSE & LIAB COVERAGE	
SYMBOL 6 UNINSURED/UNDERINSURED MOTORIST	\$ 1,000,000	ON-SITE CONTAMINATION	\$ 1,000,000
SYMBOL 5 PERSONAL INJ. PROTECTION	STATUTORY	REMEDATION EXPENSE & LIAB COVERAGE	
MEDICAL PAYMENTS	\$ 5,000	OFF-SITE CONTAMINATION	\$ 1,000,000
COMPREHENSIVE DEDUCTIBLE	\$ 1,000	CLAIMS FOR BODILY INJ. & PROPERTY DAMAGE	
COLLISION DEDUCTIBLE	\$ 1,000	FROM CONTAMINATION	\$ 1,000,000
CYBER LIABILITY		IMAGE RESTORATION	\$ 250,000
EACH EVENT LIMIT	\$ 1,000,000	POLICY AGGREGATE	\$ 5,000,000
CYBER EXTORTION AND RANSOMWARE	\$ 1,000,000	RETENTION	\$ 10,000
RETENTION	\$ 15,000	EXCESS WORKERS COMPENSATION	\$ 1,000,000
EDUCATORS LEGAL LIABILITY		WORKERS COMPENSATION	STATUTORY
EACH WRONGFUL ACT	\$ 1,000,000	EMPLOYERS LIABILITY	\$ 1,000,000
PROFESSIONAL INCIDENT AGGREGATE	\$ 3,000,000	SELF INSURED RETENTION PER OCCURRENCE	\$ 700,000
DEDUCTIBLE	\$ 25,000	EXCESS UMBRELLA - NUJEP	
COVERAGE B	\$ 100,000	BONDS	
COVERAGE B	\$ 300,000	Stephen Fried	\$ 800,000
DEDUCTIBLE WRONGFUL ACTS	\$ 25,000	Brian Bonanno	\$ 800,000
DEDUCTIBLE EMPLOYMENT OFFENSE	\$ 25,000	John Calavano	\$ 600,000
DEDUCTIBLE INJUNCTIVE OR DECLARATORY	\$ 25,000		
RELIEF			

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Franklin Township School District, in the County of Somerset, State of New Jersey (the "District") 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 February 2, 2026.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY LLC

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 District'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 may exist that have not been identified.

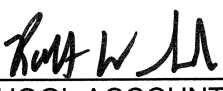
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we also noted other matters that we have reported to the Board of Education of the Franklin School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated February 2, 2026.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 2, 2026



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Franklin Township School District, County of Somerset, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY LLC

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 federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

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

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 federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement* 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 federal or state program as a whole.

SUPLEE, CLOONEY & COMPANY LLC

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement*, 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 *Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement*, 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

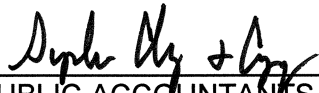
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

SUPLEE, CLOONEY & COMPANY LLC

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 *Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement*. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

February 2, 2026

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

FRANKLIN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2024		CARRY OVER AMOUNT	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2025		MEMO CUMULATIVE TOTAL EXPENDITURES
			FROM	TO	UNREVENUE	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
State Department of Education													
General Funds:													
State Aid Cluster:													
Special Education - Categorical Aid	25-495-034-5120-089	\$9,217,005.00	07/01/2024	06/30/2025	\$	\$	\$	\$ 8,337,835.33	\$	\$	\$	\$	\$9,217,005.00
Special Education - At Risk	25-495-034-5120-078	5,760,212.00	07/01/2024	06/30/2025				5,210,770.65					5,760,212.00
Stabilized School Budget Aid	25-495-034-5120-078	174,142.00	07/01/2024	06/30/2025				174,142.00					174,142.00
Security Aid	25-495-034-5120-084	2,769,263.00	07/01/2024	06/30/2025				2,595,115.15					2,769,263.00
Total State Aid Cluster								16,227,863.13					17,502,622.00
Transportation Aid	25-495-034-5120-014	3,372,682.00	07/01/2024	06/30/2025				3,050,976.66					3,372,682.00
Nonpublic School Transportation Aid	24-495-034-5120-014	355,262.00	07/01/2023	06/30/2025				355,262.00					355,262.00
Nonpublic School Transportation Aid	25-495-034-5120-014	284,046.00	07/01/2024	06/30/2025				2,456,760.00					284,046.00
Extraordinary Aid	24-495-034-5120-044	2,456,760.00	07/01/2023	06/30/2025									2,456,760.00
Extraordinary Aid	25-495-034-5120-044	3,367,640.00	07/01/2024	06/30/2025				3,367,640.00					3,367,640.00
Homeless Tuition	Unavailable	300,404.00	07/01/2023	06/30/2025				300,404.00					300,404.00
Homeless Tuition	Unavailable	226,595.00	07/01/2024	06/30/2025				226,595.00					226,595.00
On-behalf TPAF Pension - post retirement medical	25-495-034-5304-001	5,986,132.00	07/01/2024	06/30/2025				5,986,132.00					5,986,132.00
On-behalf TPAF non contributory insurance	25-495-034-5304-004	250,665.00	07/01/2024	06/30/2025				250,665.00					250,665.00
On-behalf TPAF pension contribution	25-495-034-5304-002	20,235,897.00	07/01/2024	06/30/2025				20,235,897.00					20,235,897.00
On-behalf TPAF long term disability insurance	25-495-034-5304-003	10,634.00	07/01/2024	06/30/2025				10,634.00					10,634.00
Reimbursed TPAF social security contributions	25-495-034-5304-004	4,577,225.38	07/01/2023	06/30/2025				223,986.20					4,577,225.38
Reimbursed TPAF social security contributions	24-495-034-5304-003	5,019,590.53	07/01/2024	06/30/2025				4,772,983.09					5,019,590.53
Total General Fund								53,869,874.08	2,014,484.21				64,363,955.91
Capital Projects Fund:													
NJ Schools Development Authority	1610-055-14-1006-504	470,290.00	Various										470,290.00
NJ Schools Development Authority	1610-160-14-1025-504	205,000.00	Various										205,000.00
NJ Schools Development Authority	1610-100-14-1011-504	530,761.00	Various										530,761.00
NJ Schools Development Authority	1610-115-14-1016-504	287,259.00	Various										287,259.00
NJ Schools Development Authority	1610-150-14-1022-504	451,804.00	Various										451,804.00
NJ Schools Development Authority	35-1610-060-23-R501	1,009,470.00	Various										971,646.53
Total Capital Projects Fund													2,916,760.53
Enterprise Fund:													
New Jersey Department of Agriculture													
State School Lunch Program	24-100-010-3350-023	66,361.53	07/01/2023	06/30/2024				4,668.32					66,361.53
State School Lunch Program	25-100-010-3350-023	64,389.54	07/01/2024	06/30/2025				51,801.08					64,389.54
State School Lunch Program- NJEIE	24-100-010-3350-023	29,593.40	07/01/2023	06/30/2024				2,325.40					29,593.40
State School Lunch Program- NJEIE	25-100-010-3350-023	67,039.18	07/01/2024	06/30/2025				52,897.39					67,039.18
State Reduced School Breakfast Program	24-100-010-3350-023	45,936.30	07/01/2023	06/30/2024				3,426.90					45,936.30
State Reduced School Breakfast Program	25-100-010-3350-023	44,757.20	07/01/2024	06/30/2025				35,801.00					44,757.20
State Reduced School Breakfast Program- NJEIE	24-100-010-3350-023	11,092.75	07/01/2023	06/30/2024				968.50					11,092.75
State Reduced School Breakfast Program- NJEIE	25-100-010-3350-023	26,132.45	07/01/2024	06/30/2025				20,539.37					26,132.45
Total New Jersey Department of Agriculture								171,987.96					355,292.35
Total Enterprise Fund													355,292.35

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

STATE GRANTEE/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE AT JUNE 30, 2024		CARRY OVER AMOUNT	RECEIPTS	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2025		MEMO
				UNREVENUE (ACCTS. RECEIVABLE)	DUE TO GRANITOR						UNREVENUE	DUE TO GRANITOR	
Special Revenue Fund:													
State Department of Education:													
Emergency Grants	24-100-034-5120-519	171,572.00	07/01/2023	1,120.84									152,286.00
State Educational Aids	24-100-034-5120-519	173,884.00	06/30/2024	98.00									173,786.00
SDA - Extra Needs	24-100-034-5120-519	173,884.00	06/30/2024	98.00									173,786.00
Preschool Education Aid	25-495-034-5120-066	10,748,988.00	07/01/2024			7,263,620.93	9,648,474.50	(11,488,193.68)	363,694.80		5,787,596.55	1,074,898.80	11,488,193.68
Preschool Education Aid	24-495-034-5120-066	7,765,640.00	06/30/2024	6,361,395.93		(7,263,620.93)	902,225.00	(45,876.00)					7,765,640.00
Comp Science High School Courses	24E00036	45,927.00	06/01/2023				159,796.00	(195,796.00)					45,876.00
Teacher Climate and Culture Innovation Comp	24E00075	200,000.00	05/01/2024										199,796.00
Non-Public Auxiliary Services:													
Compensatory Education	25-100-034-5120-067	71,959.00	07/01/2024				71,959.00	(39,880.85)		(15,642.00)		32,078.15	70,128.00
Compensatory Education	24-100-034-5120-067	70,128.00	06/30/2024		15,642.00					(12,255.00)			13,769.00
Transportation	24-100-034-5120-067	12,255.00	07/01/2023		12,255.00								
Non-Public Handicap Services:													
Supplementary Instruction	25-100-034-5120-068	32,214.00	07/01/2024				32,214.00	(28,910.00)		(2,478.00)		3,304.00	31,368.00
Supplementary Instruction	24-100-034-5120-068	29,736.00	07/01/2023		2,478.00								
Corrective Speech	25-100-034-5120-068	17,670.00	07/01/2024				17,670.00	(17,670.00)		(3,720.00)			21,390.00
Examination and Classification	24-100-034-5120-068	21,390.00	07/01/2023		3,720.00								
Non-Public Textbook Aid	25-100-034-5120-064	38,869.00	07/01/2024				38,869.00	(34,317.89)				4,551.11	10,224.41
Non-Public Textbook Aid	24-100-034-5120-064	82,236.00	07/01/2023				62,236.00	(34,013.59)		(9,529.00)			129,897.21
Non-Public Textbook Aid	25-100-034-5120-064	82,236.00	07/01/2024				167,310.00	(163,036.08)		(1,121.00)			143,160.00
Non-Public Tutoring Aid	24-100-034-5120-070	167,310.00	07/01/2023										
Non-Public Tutoring Aid	25-100-034-5120-070	143,160.00	07/01/2024		1,121.00		63,014.00	(56,054.76)		(6,538.00)		10,470.17	58,403.00
Non-Public Technology Aid	25-100-034-5120-373	63,014.00	07/01/2023										
Non-Public Technology Aid	24-100-034-5120-373	58,403.00	07/01/2024		6,538.00		248,460.00	(237,968.83)		(144,605.00)			242,720.00
Non-Public Security Aid	25-100-034-5120-509	248,460.00	07/01/2023										
Non-Public Security Aid	24-100-034-5120-509	242,720.00	07/01/2024		144,605.00							334.00	242,720.00
Non-Public Home Instruction		334.00	07/01/2024					(334.00)					
Total Special Revenue Fund				6,362,615.77	195,888.00		11,498,105.50	(12,365,193.52)	363,596.80	(195,888.00)	(334.00)	71,861.00	20,719,177.49
Debt Service Fund:													
Debt Service Aid	25-495-034-5120-075	857,483.00	07/01/2024				857,483.00	(857,483.00)					857,483.00
Total State Financial Assistance				\$ 1,584,860.45	\$ 195,888.00	\$ -	\$ 66,397,450.54	(71,070,945.95)	\$ 2,379,060.01	\$ (195,888.00)	\$ (6,570,032.52)	\$ 71,861.00	\$ 89,272,692.28
Less: On-Behalf amounts not utilized for determination of Major Programs:													
On-behalf TPAF Prescription drug insurance	25-495-034-5094-001	5,986,132.00	06/30/2025				(5,986,132.00)						
On-behalf TPAF Prescription drug insurance	25-495-034-5094-001	250,666.00	06/30/2025				(250,666.00)						
On-behalf TPAF non contributory insurance	25-495-034-5094-002	20,235,697.00	06/30/2025				(20,235,697.00)						
On-behalf TPAF pension contribution	25-495-034-5094-002	10,634.00	06/30/2025				(10,634.00)						
On-behalf TPAF long term disability insurance	25-495-034-5094-004		07/01/2024										
Total State Financial Assistance Subject to Single Audit				\$ 39,914,321.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Franklin Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Franklin Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the 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 federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Franklin Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$39,340.80 for the general fund and (\$107,740.44) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$125,254.10	\$56,713,645.33	\$56,838,899.43
Special Revenue Fund	4,626,086.38	11,934,620.65	16,560,707.03
Capital Projects Fund		971,646.53	971,646.53
Debt Service Fund		857,483.00	857,483.00
Food Service Fund	3,093,220.60	202,318.37	3,295,538.97
GAAP Adjustment	<u>(322,832.43)</u>	<u>391,232.07</u>	<u>68,399.64</u>
Total Awards & Financial Assistance	<u>\$7,521,728.65</u>	<u>\$71,070,945.95</u>	<u>\$78,592,674.60</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2025.

Franklin Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? | Yes |
| (4) | Identification of Federal Program(s): | |

<u>Program</u>	<u>A.L. NUMBER</u>	<u>F.A.I.N.</u>
Child Nutrition Cluster:		
School Breakfast Program	10.553	251NJ304N1099
National School Lunch Program	10.555	251NJ304N1099

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under Federal Uniform Guidance? | Yes |

Franklin Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

State Program(s)

- (1) Internal Control Over Major State Programs:
- (c) Material weakness identified? No
- (d) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Extraordinary Aid	495-034-5120-044
Transportation Aid	495-034-5120-014
Preschool Education Aid	495-034-5120-086

- (5) Program Threshold Determination:
 Type A State Program Threshold > \$1,337,634.00
 Type B State Program Threshold <= \$1,337,634.00
- (6) Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? Yes

Franklin Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs

U.S. Department of Agriculture - Child Nutrition Cluster 10.553, 10.555

Finding 2025-001:

Criteria

CFR Section 210.14 Resource Management net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service.

Condition

The District's net cash resources exceeded 3 months average expenditures.

Context

Based on the net cash resources calculation, the District exceeded maximum net cash resources.

Cause

The federal subsidies the District received have increased.

Effect or Potential Effect

The District is not in compliance with CFR 210.14.

Recommendation

That the District ensure that net cash resources does not exceed 3 months average expenditures.

View of Responsible Officials and Planned Corrective Action

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

State Programs – None Reported

Franklin Township School District

Summary Schedule of Prior Year Audit Findings

For the Fiscal year Ending June 30, 2025

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

FINANCIAL STATEMENT FINDINGS

Finding 2024-001:

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

Current Status:

During the current fiscal year, the District implemented improvements to its general ledger maintenance processes. As a result, the severity of the deficiency has been reduced from a Material Weakness to a Management Report finding. However, certain year-end adjustments and subsidiary ledger reconciliations still require further refinement to ensure complete accuracy.

Finding 2024-002:

The maintenance of accurate bank reconciliations matching to the records of the business administrator/board secretary is an important control over the management of cash in the district.

Current Status:

This finding has been resolved.

FEDERAL PROGRAM(S) - None Reported

STATE PROGRAM(S) - None Reported

