SCHOOL DISTRICT

OF

FRELINGHUYSEN TOWNSHIP

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

Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2025

Annual Comprehensive

Financial Report

of the

Frelinghuysen Township School District
Board of Education
Johnsonburg, New Jersey
For the Fiscal Year Ending June 30, 2025

Prepared by
Frelinghuysen Township School District
Board of Education
Finance Department

OUTLINE OF ACFR

INTRODUCTORY SECTION

			Page
	Letter of Transmittal		1
	Organizational Chart		2
	Roster of Officials		3
	Consultants and Advisors		4
	FINANCIAL SECTION		
	Independent Auditor's Report		7-9
	Required Supplementary Information – Part I		
	Management's Discussion and Analysis		11-18
	Basic Financial Statements		
A.	District-Wide Financial Statements:		
	A-1	Statement of Net Position	21
	A-2	Statement of Activities	22
B.	Fund Financial Statements:		
	Governmental Funds:		
	B-1	Balance Sheet	24
	B-2	Statement of Revenues, Expenditures and Changes in Fund Balance	25
	B-3	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
	Proprietary Funds:		
	B-4	Statement of Net Position	27
	B-5	Statement of Revenues, Expenses and Changes in Fund Net Position	28
	B-6	Statement of Cash Flows	29
	Fiduciary Funds:		
	B-7	Statement of Fiduciary Net Position	N/A
	B-8	Statement of Changes in Fiduciary Net Position	N/A
	Notes to the Financial Statements		31-58
	Required Supplementary Information – Part II		
C.	Budgetary Comparison Schedules:		
	C-1	Budgetary Comparison Schedule - General Fund	61-68
	C1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
	C-1b	Community Block Development Grant (CDBG) – Budget and Actual	N/A
	C-2	Budgetary Comparison Schedule - Special Revenue Fund	69
	Notes to Required Supplementary Information - Part II		
	C-3	Budget-to-GAAP Reconciliation	70

OUTLINE OF ACFR

			Page
	Required Supplementary Information – Part III		
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)		
	L-1/L-3	Schedule of the District's Proportionate Share of the Net Pension Liability	71
	L-2	Schedule of District Contributions	72
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)		
	M-1	Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	73
	Notes to Required Supplementary Information - Part III		74
	Other Supplementary Information		
D.	School Level Schedules:		
	D-1	Combining Balance Sheet	N/A
	D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
	D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:		
	E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	77
	E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:		
	F-1	Summary Schedule of Project Expenditures	N/A
	F-2	Summary Schedule of Revenues and Expenditures	N/A
G.	Proprietary Funds		
	Enterprise Fund:		
	G-1	Combining Statement of Net Position	See B-4
	G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
	G-3	Combining Statement of Cash Flows	See B-6
	Internal Service Fund:		
	G-4	Combining Statement of Net Position	N/A
	G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-6	Combining Statement of Cash Flows	N/A

OUTLINE OF ACFR

Other Supplementary Information (continued) Page

H. Fiduciary Funds:
- H-1 Combining Statement of Fiduciary Net Position N/A
- H-2 Combining Statement of Changes in Fiduciary Net Position N/A

I. Long-Term Debt:
- I-1 Schedule of Serial Bonds N/A
- I-2 Schedule of Obligations Under Capital Leases N/A
- I-3 Budgetary Comparison Schedule Debt Service Fund N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section 81

Financial Trends
- J-1 Net Position by Component 82
- J-2 Changes in Net Position 83-84
- J-3 Fund Balances - Governmental Funds 85
- J-4 Changes in Fund Balances - Governmental Funds 86
- J-5 General Fund Other Local Revenue by Source 87

Revenue Capacity
- J-6 Assessed Value and Estimated Actual Value of Taxable Property 88
- J-7 Direct and Overlapping Property Tax Rates 89
- J-8 Principal Property Taxpayers 90
- J-9 Property Tax Levies and Collections 91

Debt Capacity
- J-10 Ratios of Outstanding Debt by Type 92
- J-11 Ratios of General Bonded Debt Outstanding 93
- J-12 Direct and Overlapping Governmental Activities Debt 94
- J-13 Legal Debt Margin Information 95

Demographic and Economic Information
- J-14 Demographic and Economic Statistics 96
- J-15 Principal Employers 97

Operating Information
- J-16 Full-time Equivalent District Employees by Function/Program 98
- J-17 Operating Statistics 99
- J-18 School Building Information 100
- J-19 Schedule of Required Maintenance Expenditures by School Facility 101
- J-20 Insurance Schedule 102

OUTLINE OF ACFR

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	104-105
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's circular 15-08	106-108
K-3	Schedule of Expenditures of Federal Awards, Schedule A	109
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	110
K-5	Notes to the Schedules of Awards and Financial Assistance	111-112
K-6	Schedule of Findings and Questioned Costs	113-117
K-7	Summary Schedule of Prior Audit Findings	118

Introductory Section

Frelinghuysen Township School

780 Route 94, Newton, NJ 07860
Phone: (908) 362-6319 / Fax (908) 362-5730

Jarlyn Veras
Chief School Administrator
veras@frelinghuysenschool.org

Edward Flores
School Business Administrator
flores@frelinghuysenschool.org

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

Dear Board Members,

The annual comprehensive financial report of the Frelinghuysen 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 Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, Audit of State and Local Governments, and the State Treasury Circular Letter 15-08 0MB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

Frelinghuysen Township School

780 Route 94, Newton, NJ 07860
Phone: (908) 362-6319 / Fax (908) 362-5730

Jarlyn Veras
Chief School Administrator
veras@frelinghuysenschool.org

Edward Flores
School Business Administrator
flores@frelinghuysenschool.org

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through 6. The District completed the 2024-2025 fiscal year with an average daily enrollment of 120 students, which is ten students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last seven years.

Fiscal Year	Average Daily Enrollment	Student Enrollment Percent Change
2017-2018	140	-6.0%
2018-2019	145	3.5%
2019-2020	135	-6.9%
2020-2021	126	-6.7%
2021-2022	129	2.4%
2022-2023	130	1.6%
2024-2025	120	-8.4%

2) ECONOMIC CONDITION AND OUTLOOK: Since much of Frelinghuysen Township's land has large parcels that are under agricultural assessment and/or have significant

Environmental constraints, there is little pressure for rapid, large-scale residential growth. Our primary economic challenge is the continued reduction in State Aid, especially in light of legislation.

3) MAJOR INITIATIVES: Frelinghuysen Township School continues to prioritize professional development to strengthen teacher effectiveness and support high-quality instruction across content areas and grade levels. The district also remains focused on creating a strong multi-tiered system of support that ensures all students receive instruction that is differentiated to meet their unique learning needs. Additionally, emphasis is placed on providing rigorous learning experiences that help students not only master grade-level standards but also develop into critical thinkers and well-rounded learners.

4) INTERNAL ACCOUNT CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate account data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GMP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a

Frelinghuysen Township School

780 Route 94, Newton, NJ 07860
Phone: (908) 362-6319 / Fax (908) 362-5730

Jarlyn Veras
Chief School Administrator
veras@frelinghuysenschool.org

Edward Flores
School Business Administrator
flores@frelinghuysenschool.org

control should not exceed the benefits likely to be derived; 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 evaluation by the District management.

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

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

An encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

6) ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The account system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement", Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) DEBT ADMINISTRATION: At June 30, 2025 the District has zero outstanding debt issues.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by

Frelinghuysen Township School

780 Route 94, Newton, NJ 07860
Phone: (908) 362-6319 / Fax (908) 362-5730

Jarlyn Veras
Chief School Administrator
veras@frelinghuysenschool.org

Edward Flores
School Business Administrator
flores@frelinghuysenschool.org

state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 2007 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

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

11) OTHER INFORMATION: State Statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1992 and the related 0MB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.
The auditor's reports related specifically to the signal audit are included in the single audit section of this report.

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

Respectfully submitted,

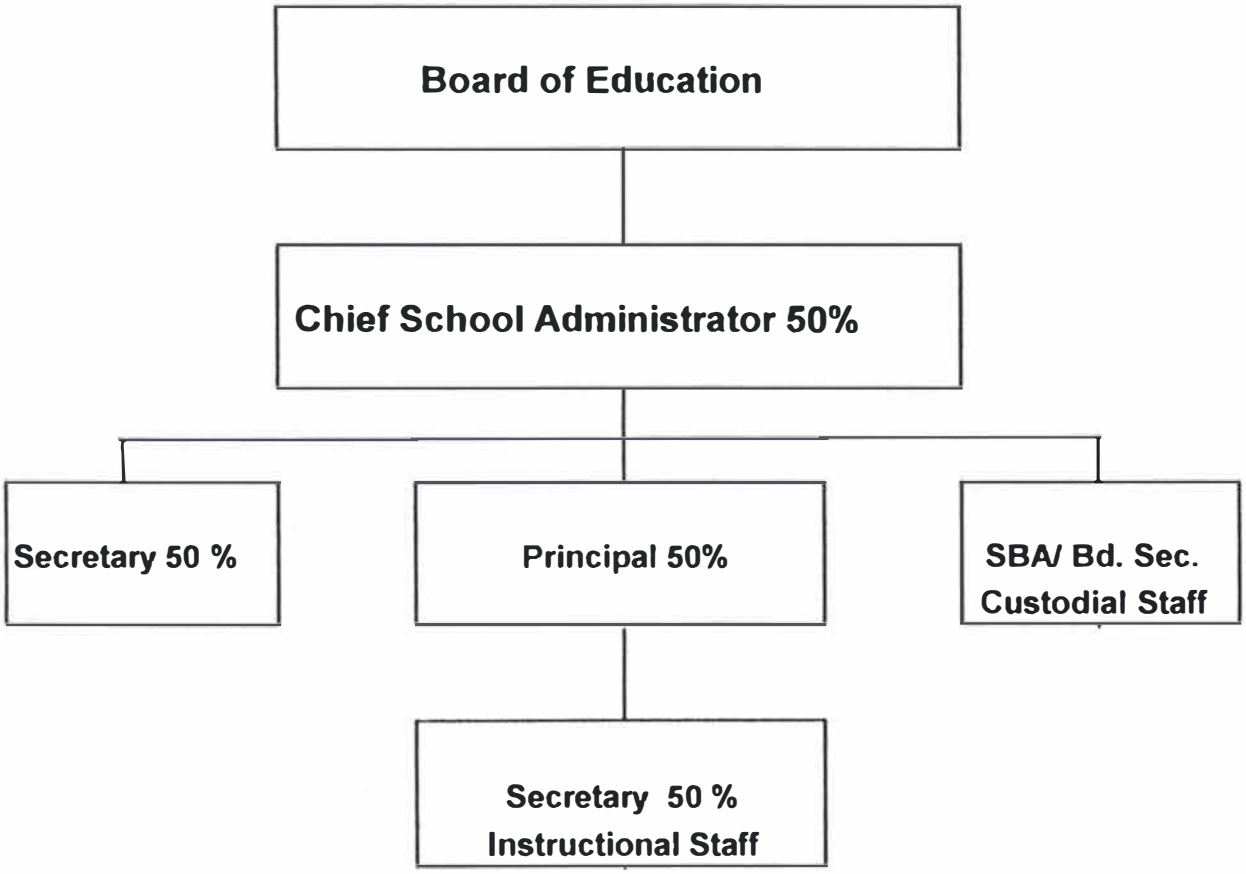
Jarlyn Veras
Superintendent of Schools

Edward Flores
Business Administrator

FRELINGHUYSEN TOWNSHIP BOARD OF EDUCATION

Organization Chart

(Unit Control)



FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2025

Members of the Board of Education	Term Expires
Kimberly Neuffer, ***President***	2026
Lori Anne Swistak, ***Vice President***	2027
George Riedel	2027
Eleni Peterson	2027
Lowell Forbes	2027
Doreen Pandiscia	2026
Janet DeFilippis	2025
David Hocking	2025
David Tongo	2025

Other Officials

Jarlyn Veras, ***Chief School Administrator***

Edward Flores, ***Business Administrator***

Paula Hatch, ***Treasurer***

Marc H. Zitomer, ***Esquire***

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

Official Depository

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

Financial Section

Independent Auditor's Report

ARDITO & COMPANY LLC

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

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Frelinghuysen Township School District Board of Education, as of and for the year ended June 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Frelinghuysen Township School District Board of Education, as of June 30, 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 (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Frelinghuysen Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, ***Government Auditing Standards*** and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

-Continued-

non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated November 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 28, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 28, 2025

Required Supplementary Information - Part I

Management's Discussion and Analysis

The discussion and analysis of Frelinghuysen Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- In total, Net Position increased $102,564 which represents a 8.7% increase from 2024.
- General revenues accounted for $2,681,424 in revenue or 87.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $388,779 or 12.7% of total revenues of $3,070,203.
- Total assets of governmental activities decreased by $155,780, as cash and cash equivalents increased by $228, receivables decreased by $207,730, and capital assets increased by $53,200.
- The School District had $2,967,639 in expenses; only $388,779 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $2,681,424 were available to provide for these programs.
- Among major funds, the General Fund had $3,401,040 in revenues and $3,352,355 in expenditures. The General Fund's surplus balance increased $1,677 over 2024, which compares favorably to the budgeted decrease of $385,879.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

Table 1
Net Position

	2025	2024
Assets		
Current and Other Assets	$ 1,372,200	$ 1,581,180
Capital Assets	155,500	102,300
Total Assets	1,527,700	1,683,480
Deferred Outflows of Resources	121,803	141,155
Liabilities		
Long-Term Liabilities	277,042	320,446
Other Liabilities	72,626	301,850
Total Liabilities	349,668	622,296
Deferred Inflows of Resources	19,478	24,546
Net Position		
Invested in Capital Assets, Net of Debt	155,500	102,300
Restricted	932,119	1,037,479
Unrestricted	192,738	38,014
Total Net Position	$ 1,280,357	$ 1,177,793

Total assets of governmental activities decreased by $155,780, as cash and cash equivalents increased by $228, receivables decreased by $207,730, and capital assets increased by $53,200.

The cash increase was mainly due to favorable budgeted operation, receivables decreased due to state and federal aid collected on prior year grant spending, and the increase in capital assets was due to roof improvements, net of depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2024.

Table 2
Changes in Net Position

	2025	2024
Revenues		
Program Revenues:		
Charges for Services	$ 19,842	$ 57,388
Operating Grants and Contributions	368,937	490,349
General Revenues:		
Property Taxes	2,543,592	2,314,460
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	47,277	39,732
Other	90,555	31,909
Total Revenues	3,070,203	2,933,838
Program Expenses		
Instruction	1,293,848	1,521,388
Support Services:		
Tuition	10,981	62,120
Pupils and Instructional Staff	551,609	368,098
General Administration, School Administration, Business	256,824	269,780
Operations and Maintenance of Facilities	469,255	384,926
Pupil Transportation	323,920	313,022
Business-Type Activities	60,922	70,451
Interest and Fiscal Charges	280	366
Total Expenses	2,967,639	2,990,151
Increase in Net Position	$ 102,564	$ (56,313)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 82.8% percent of revenues for governmental activities for the Frelinghuysen Township School District for the fiscal year 2025.

Instruction comprises 43.6% of district expenses. Support services expenses make up 54.3% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	$ 1,293,848	$ 1,125,197	$ 1,521,388	$ 1,191,010
Support Services:				
Tuition	10,981	10,268	62,120	55,456
Pupils and Instructional Staff	551,609	432,675	368,098	300,502
General Admin., School Admin., Business	256,824	240,142	269,780	240,838
Operation and Maintenance of Facilities	469,255	438,774	384,926	343,632
Pupil Transportation	323,920	302,880	313,022	279,441
Business-Type Activities	60,922	28,644	70,451	31,169
Interest and Fiscal Charges	280	280	366	366
Total Expenses	$ 2,967,639	$ 2,578,860	$ 2,990,151	$ 2,442,414

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

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

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

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

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

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

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

The dependence upon tax revenues is apparent. Over 87.0% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 88.4%. The community, as a whole, is the primary support for the Frelinghuysen Township School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other scources of $3,568,752 and expenditures of $3,520,067. The General Fund's surplus balance increased $1,677 over 2024, which compares favorably to the budgeted decrease of $385,879.

General Fund Budgeting Highlights

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was $2,908,159, $77,440 over original budgeted estimates of $2,830,719. This difference was due primarily to non-budgeted extraordinary aid and interest earnings.

General fund revenues exceeded expenditures by $1,789. Again this surplus compares to a budgeted deficit of $385,879. The budgeted deficit was reduced due to revenue increases net of cost savings in the areas of tuition and benefits in the expenditure budget.

Overall general fund balance (budget basis) was $1,316,095, and amounts ear-marked and reserved for future purposes were $1,167,009, creating a surplus in unreserved fund balance of $149,086. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district, however unreserved surplus is well below the statutory $250,000 level.

Capital Assets

At the end of the fiscal year 2025, the School District had $155,500 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2025 balances compared to 2024.

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

	2025	2024
Land	$ 102,300	$ 102,300
Land Improvements	-	-
Buildings and Improvements	53,200	-
Machinery and Equipment	-	-
Totals	$ 155,500	$ 102,300

Overall capital assets increased $53,200 from fiscal year 2024 to fiscal year 2025. The increase in capital assets was due to capital improvements, net of depreciation expense.

Capital improvements of $56,000 were purchased during fiscal year 2025 for roof improvements.

Debt Administration

At June 30, 2025, the School District had $59,778 as outstanding long term debt. Of this amount, $59,778 is for compensated absences.

At June 30, 2025, the School District's overall legal debt margin was $8,903,883 and the unvoted debt margin was the same.

For the Future

It has been increasingly difficult to balance educational needs with increases in property tax rates. However the district has been able to stabilize property tax rates over the last several years. However, as state aid continues to decrease, the burden of funding the district rests with the taxpayers. The Frelinghuysen Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden. Overall, the Frelinghuysen Township School District is in good financial condition presently.

The district has committed itself to financial excellence for many years. The district plans to continue its commitments to meet the challenge of the future.

Contacting the School District's Financial Management

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

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 434,850	$ 19,697	$ 454,547
Receivables, Net	143,655	2,009	145,664
Interfund Receivables	11,833		11,833
Inventory		3,535	3,535
Restricted Assets:			
Capital and Maintenance Reserve Account - Cash	756,621		756,621
Capital Assets, Net (Note 5)	155,500		155,500
Total Assets	1,502,459	25,241	1,527,700
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows (Note 8)	121,803		121,803
LIABILITIES			
Accounts Payable	5,025	8,587	13,612
Due to State of New Jesrsey			
Payroll Deductions and Withholdings	43,766		43,766
Unemployment Claims Payable	-		-
Unearned Revenue	2,980	435	3,415
Interfund Payable	-	11,833	11,833
Net Pension Liability (Note 8)	217,264		217,264
Noncurrent Liabilities (Note 6):			
Due Within One Year	-		-
Due Beyond One Year	59,778		59,778
Total Liabilities	328,813	20,855	349,668
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows (Note 8)	19,478		19,478
NET POSITION			
Invested in Capital Assets, Net of Related Debt	155,500		155,500
Restricted for:			
Other Purposes	932,119		932,119
Unrestricted	188,352	4,386	192,738
Total Net Position	$ 1,275,971	$ 4,386	$ 1,280,357

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Functions/Programs							
Governmental Activities:							
Instruction:							
Regular	$1,189,650		$ 161,883		$ (1,027,767)		$ (1,027,767)
Special Education	104,198		6,768		(97,430)		(97,430)
Other Special Instruction	-		-		-		-
Support Services:							
Tuition	10,981		713		(10,268)		(10,268)
Student & Instruction Related Services	551,609		118,934		(432,675)		(432,675)
School Administrative Services	58,369		3,791		(54,578)		(54,578)
General and Business Admin. Services	198,455		12,891		(185,564)		(185,564)
Plant Operations and Maintenance	469,255		30,481		(438,774)		(438,774)
Pupil Transportation	323,920		21,040		(302,880)		(302,880)
Unallocated Depreciation	280				(280)		(280)
Total Governmental Activities	2,906,717	-	356,501		(2,550,216)		(2,550,216)
Business-Type Activities:							
Food Service	60,922	19,842	12,436			$ (28,644)	(28,644)
Total Business-Type Activities	60,922	19,842	12,436			(28,644)	(28,644)
Total Primary Government	$ 2,967,639	$ 19,842	$ 368,937		(2,550,216)	(28,644)	(2,578,860)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes,Net					2,543,592		2,543,592
Investment Earnings					47,277		47,277
Miscellaneous Income					90,352	203	90,555
Transfers					(47,008)	47,008	-
Total General Revenues, Special Items, Extraor. Items and Transfers					2,634,213	47,211	2,681,424
Change in Net Position					83,997	18,567	102,564
Net Position—Beginning					1,191,974	(14,181)	1,177,793
Net Position—Ending					**$ 1,275,971**	**$ 4,386**	**$ 1,280,357**

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

FUND FINANCIAL STATEMENTS

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 1,191,471		$ 1,191,471
Interfund Receivables	125,708	$ 1,844	127,552
Receivables from Other Governments	28,458	115,197	143,655
Other Receivables			-
TOTAL ASSETS	$ 1,345,637	$ 117,041	$ 1,462,678
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	$ 1,140	$ 3,885	$ 5,025
Payroll Liabilities	43,766		43,766
Interfund Payable	5,493	110,226	115,719
Unearned Revenue	50	2,930	2,980
Total Liabilities	50,449	117,041	167,490
Fund Balances:			
Restricted for:			
Capital Reserve Account	458,714		458,714
Maintenance Reserve	272,707		272,707
Emergency Reserve	135,413		135,413
Excess Surplus-Desig. For Subs. Year's Exp.	12,625		12,625
Unemployment Compensation	2,660		2,660
Assigned:			
Encumbrances	234,890		234,890
Design. for Subsequent Year's Expend.	50,000		50,000
Unassigned:			
General Fund	128,179		128,179
Debt Service Fund			-
Total Fund Balances	1,295,188	-	1,295,188
TOTAL LIABILITIES AND FUND BALANCE	$ 1,345,637	$ 117,041	$ 1,462,678

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $2,224,714 and the accumulated depreciation is $2,122,414.	$ 155,500
Deferred Outflows related to pension contributions subsequent to the Net Pension Liablity measurement date and other deferred items are not current financial resources and therefore are not report in the fund statements. (See Note 8)	121,803
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)	(19,478)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 8)	(217,264)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilties in the funds (see Note 6)	(59,778)
Net Position of governmental activities	$ 1,275,971

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local sources:			
Local Tax Levy	$ 2,543,592		$ 2,543,592
Tuition	41,140		41,140
Interest Earned on Capital reserve Funds	18,855		18,855
Miscellaneous	77,634		77,634
Total - Local Sources	2,681,221		2,681,221
State Sources	719,819	-	719,819
Federal Sources		$ 167,712	167,712
Total Revenues	3,401,040	167,712	3,568,752
EXPENDITURES			
Current:			
Regular Instruction	1,101,703	51,400	1,153,103
Special Education Instruction	100,300		100,300
Other Special Instruction			
Support services and undistributed costs:			
Intruction Tuition	10,981		10,981
Student and Instruction Related Services	447,870	83,104	530,974
School Administrative Services	56,185		56,185
Other Administrative Services	191,031		191,031
Plant Operations and Maintenance	451,700		451,700
Pupil Transportation	323,920		323,920
Unallocated Benefits	522,375		522,375
Transfer to Charter School	90,290		90,290
Capital Outlay	56,000	33,208	89,208
Total Expenditures	3,352,355	167,712	3,520,067
Excess (Deficiency) of Revenues Over Expenditures	48,685		48,685
OTHER FINANCING SOURCES (USES)			
Transfers - Food Service Fund	(47,008)		(47,008)
Total Other Financing Sources and Uses	(47,008)	-	(47,008)
Net Change in Fund Balances	1,677		1,677
Fund Balance—July 1	1,293,511		1,293,511
Fund Balance—June 30	$ 1,295,188	-	$ 1,295,188

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)			$ 1,677
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.			
	Depreciation Expense	$ (2,800)	
	Capital Outlays	56,000	53,200
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administravtive costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.			6,093
In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.			23,027
Change in Net Position of Governmental Activities			$ 83,997

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities-Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and Cash Equivalents	$ 19,697	$ 19,697
Federal and State Accounts Receivable	419	419
Accounts Receivable-Other	1,590	1,590
Inventories	3,535	3,535
Total Current Assets	25,241	25,241
Noncurrent Assets:		
Furniture, Machinery and Equipment	49,678	49,678
Less Accumulated Depreciation	(49,678)	(49,678)
Total Noncurrent Assets		
Total Assets	**25,241**	**25,241**
LIABILITIES		
Current liabilities:		
Accounts Payable	8,587	8,587
Due General Fund	11,833	11,833
Deferred Revenue	435	435
Total Current Liabilities	20,855	20,855
Total Liabilities	**20,855**	**20,855**
NET POSITION		
Unrestricted	4,386	4,386
Total Net Position	**$ 4,386**	**$ 4,386**

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

Exhibit B-5

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

	Business-type Activities-Enterprise Fund	
	Food Service	**Total Enterprise**
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	$ 14,332	$ 14,332
Daily Sales - Non-Reimb.Programs	5,510	5,510
Miscellaneous	203	203
Total Operating Revenues	20,045	20,045
Operating Expenses:		
Cost of Sales - Reimbursable Programs	14,433	14,433
Cost of Sales - Non-reimbursable Programs	4,125	4,125
Salaries	20,981	20,981
Employee Benefits	6,654	6,654
Supplies	2,942	2,942
Miscellaneous	1,957	1,957
Other Purchased Professional Services	9,830	9,830
Total Operating Expenses	60,922	60,922
Operating Income (Loss)	(40,877)	(40,877)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	845	845
Federal Sources:		
National School Lunch Program	8,147	8,147
P-EBT Administrative Cost Reimbursement	643	643
Food Distribution Program	2,801	2,801
Total Nonoperating Revenues (Expenses)	12,436	12,436
Income (Loss) Before Contributions and Transfers	(28,441)	(28,441)
Transfers In (Out)	47,008	47,008
Change in Net Position	18,567	18,567
Total Net Position—Beginning	(14,181)	(14,181)
Total Net Position—Ending	$ 4,386	$ 4,386

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2025

	Business-Type Activities-Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 20,046	$ 20,046
Payments to Employees	(20,981)	(20,981)
Payments for Employee Benefits	(6,654)	(6,654)
Payments to Suppliers	(23,711)	(23,711)
Net Cash Provided by (used for) Operating Activities	(31,300)	(31,300)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	869	869
Federal Sources	10,566	10,566
Operating Subsidies and Transfers from Other Funds	38,738	38,738
Net Cash Provided by (used for) Non-Capital Financing Activities	50,173	50,173
Net Increase (Decrease) in Cash and Cash Equivalents	18,873	18,873
Balances—Beginning of Year	824	824
Balances—End of Year	$ 19,697	$ 19,697
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	$ (40,877)	$ (40,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Federal Commodities	2,801	2,801
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	1,478	1,478
Increase (Decrease) in Accounts Payable	5,298	5,298
Total Adjustments	9,577	9,577
Net Cash Provided by (used for) Operating Activities	$ (31,300)	$ (31,300)

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

Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liablities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, GASB 84, Fiduciary Activities, GASB 87, Leases, GASB 96, Subscriptions, GASB 98, Annual Comprehensive Financial Report, GASB 100, Accounting Changes and Error Corrections, and GASB 101, Compensated Absences. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2024.

A. Reporting Entity:

The Frelinghuysen Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. Grades 7 through 12 students are sent to North Warren Regional School District in Blairstown, New Jersey, which comprises the four surrounding municipalities of Knowlton Township, Blairstown Township, Frelinghuysen Township and Hardwick Township. The Frelinghuysen Township School District had an approximate enrollment at June 30, 2025, of 121 students.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activites

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable financial resources, except those required to be accounted for in another fund, including payroll agency and unemployment compensation accounts. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes. The special revenue fund also accounts for student activities.

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11. In addition, transfers are also covered by changes in N.J.A.C.6A:23A-2.3, that can require approval through the state department. All budget amendments/transfers must be approved by School Board resolution and are subject to transfer limitations and approvals per P.L. 2004, c.73(S-1701).

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control-(Continued):

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

D. Encumbrance Accounting:

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

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

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

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

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

Compensated Absences:

The District accounts for compensated absencesas directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

The liability for compensated absences was accrued and determined based on 1.) leave that has not been used, and 2.) leave that has been used but not yet paid in cash or settled through noncash means. For leave that has not been used, a liability is recognized if, 1.) the leave is attributable to services already rendered, 2.) the leave accumulates (no-use-it-or-lose-it), and, the leave is more likely to than not to be used for time off or otherwise paid in cash or settled through noncash means. For leave that has been used, a liability should be recognized when leave has been used for time off but has not been paid in cash or settled through noncash means.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes that were received as of June 30, 2025, but which were levied to finance subsequent fiscal years operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

Net Position:

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

Fund Balance Reserves:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Deferred Outflows and Deferred Inflows of Resources

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

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

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollarteralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2025, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents (A-1)
Checking Accounts	$ 1,211,168
	$ 1,211,168

The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was $1,211,168 and the bank balance was $1,452,221. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, $250,000 was covered by federal depository insurances and $1,202,221 was covered by collateral pool.

NOTE 3: RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	$ 28,458	$ 28,522
Federal Aid	115,197	115,552
Other Local	-	1,590
Gross Receivable	$ 143,655	$ 145,664
Less: Allow. for Uncollectibles		
Total Receivables, Net	$ 143,655	$ 145,664

NOTE 4: INVENTORY

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

Food	$ 1,975
Supplies	1,560
	$ 3,535

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

NOTE 5: CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 102,300			$ 102,300
Total Capital Assets Not Being Depreciated	102,300			102,300
Capital Assets Being Depreciated:				
Land Improvements	143,850			143,850
Buildings and Building Improvements	1,928,477	$ 56,000		1,984,477
Machinery and Equipment	50,087			50,087
Total at Historical Cost	2,122,414	56,000		2,178,414
Less Accumulated Depreciation for:				
Land Improvements	(143,850)	-		(143,850)
Building and Improvements	(1,928,477)	(2,800)		(1,931,277)
Equipment	(50,087)			(50,087)
Total Accumulated Depreciation	(2,122,414)	(2,800)		(2,125,214)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	-	53,200		53,200
Government Activity Capital Assets, Net	**$ 102,300**	**$ 53,200**		**$ 155,500**

NOTE 5: CAPITAL ASSETS-(Continued)

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

Depreciation expense was charged to functions as follows:

Regular Instruction	$ 2,520
Unallocated	280
Total	$ 2,800

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025	Amounts Due Within One Year
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	$ 82,805		$ (23,027)	$ 59,778	-
Total	$ 82,805	-	$ (23,027)	$ 59,778	-

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

B. Debt Service Requirements:

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

As of June 30, 2025, the District had no authorized but not issued bonds.

C. Capital Leases

The District did not have any capital leases during the year ended June 30, 2025.

NOTE 7: DEFERRED COMPENSATION

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

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

NOTE 8: PENSION PLANS

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was $4,696,527 as measured on June 30, 2024 and $4,400,156 measured on June 30, 2023.

NOTE 8: PENSION PLANS (Continued)

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of ($17,132) and revenue of ($17,132) for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2025 is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2023 and June 30, 2024.

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

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$2,498,730,891	$1,176,934,477
Collective deferred inflows of resources	$14,719,080,314	$10,530,833,639
Collective net pension liability (Nonemployer-State of New Jersey)	$51,032,669,551	$49,425,106,602
State's portion of the net pension liability that was associated with the district	$4,400,156	$4,696,527
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.008622%	0.009502%

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

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

NOTE 8: PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 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 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:

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equi	12.75%	8.85%
International Small Cap Equ	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	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.

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2024, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Collective Net Pension Liability	$ 58,828,334,396	$ 49,492,072,325	$ 41,629,174,739

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml. The plan fudiciary net position as of June 30, 2024 was $30,316,295,787.

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

	Year Ended June 30:
2025	($3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
Total	($9,436,989,313)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	$1,395,143,002
Interest on total pension liability	5,402,862,412
Member contributions	(968,116,740)
Administrative expense	23,998,868
Expected investment return net of investment expenses	(1,880,215,821)
Pension expense related to specific liabilities of individual employers	(521,718)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	163,003,839
Changes in assumptions	(4,175,839,758)
Difference between projected and actual investment earnings on pension plan investments	(140,853,575)
Total pension expense	($180,539,491)

NOTE 8: PENSION PLANS (Continued)

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

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

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

At June 30, 2025, the District reported a liability of $217,264 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2022 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the District's proportion was 0.0016% which was a decrease of 0.00004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense/(benefit) of $37,191. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,352	$ 578
Changes of assumptions	270	2,472
Net difference between projected and actual earnings on pension plan investments	-	10,074
Changes in proportion and differences between District contributions and proportionate share of contributions	73,496	6,354
District contributions subsequent to the measurement date	43,685	
Total	$ 121,803	$ 19,478

NOTE 8: PENSION PLANS (Continued)

$43,685 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 measured as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2025	$63,625
2026	(49,231)
2027	28,324
2028	16,348
2029	(426)
Total	$58,640

	6/30/2024	6/30/2025
Collective deferred outflows of resources	$1,080,204,730	$289,074,215
Collective deferred inflows of resources	1,780,216,457	820,816,333
Collective net pension liability	$14,484,374,047	$13,588,045,796
District's portion of net pension liability	$237,641	$217,264
District's proportion %	0.00164067%	0.00159893%

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 was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial 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

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

NOTE 8: PENSION PLANS (Continued)

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

Asset Class	***Target Allocation***	***Long-Term Expected Real Rate of Return***
US Equity	28.00%	8.63%
Non-US devel.markets equi	12.75%	8.85%
International Small Cap Equ	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yeild	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk mitigation	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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2024, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 288,690	$217,264	$ 156,480

NOTE 8: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2024 are as follows:

Service cost	$82,486
Interest on total Pension liability	308,109
Member contributions	(67,555)
Administrative expense	2,386
Other - Chaper 19 Adjustment	(2,484)
Expected investment return net of investment expenses	(186,120)
Pension expense related to specific liabilities of individual employers	(2,375)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	9,387
Changes in assumptions	(75,300)
Difference between projected and actual investment earnings on pension plan investments	(31,343)
Total pension expense	$37,191

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

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

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

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

NOTE 8: PENSION PLANS (Continued)

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

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

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

 New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

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

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2025	$43,685	100%
6/30/2024	$22,159	100%
6/30/2023	$15,641	100%

NOTE 8: PENSION PLANS (Continued)

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/2025	$327,002	100 %
6/30/2024	$409,750	100 %
6/30/2023	$357,507	100 %

During the fiscal year ended June 30, 2025, the State of New Jersey did contribute $422,499 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $70,494 during the year ended June 30, 2025, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

NOTE 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or countycollege 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. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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

Actuarial assumptions and other imputes. The June 30, 2025 GASB 75 reporting is based on a measurement date of June 30, 2024. The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS anf PFRS. 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:

Total Nonemployer OPEB Liability:	$	59,650,630,530		
		TPAF/ABP	PERS	PFRS
Salary Increases		2.75% to 5.65%	2.75% to 6.55%	3.25% to 16.25%
			Based on service years	

(a) 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%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability wa 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.

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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.

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

	Total OPEB Liability
The State's Total OPEB Liability Balance at 6/30/2023	**$52,361,668,239**
Changes for the year:	
Service Cost	2,152,062,729
Interest on the Total OPEB Liability	1,963,557,443
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Gross Benefit Payments	(1,499,600,607)
Contributions from Members/Employers	51,347,810
Net changes	7,288,962,291
The State's Total OPEB Liability Balance at 6/30/2024	**$59,650,630,530**
The State's total OPEB liability attributable to the District:	**$4,521,328**

Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024 and other changes.

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

	June 30, 2024		
	At 1% Decrease 2.93%	At Discount Rate 3.93%	At 1% Increase 4.93%
Total OPEB Liability (School Retirees)	$69,863,663,542	$59,650,630,530	$51,437,232,141

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2023		
	At 1% Decrease 2.65%	At Discount Rate 3.65%	At 1% Increase 4.65%
Total OPEB Liability (School Retirees)	$61,385,066,712	$52,361,668,239	$45,116,926,835

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

	June 30, 2024		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$49,689,409,509	$59,650,630,530	$72,625,778,279

	June 30, 2023		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	$43,468,257,358	$52,361,668,239	$63,998,719,320

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

For the year ended June 30, 2024, the board of education recognized OPEB expense and related revenue of ($91,399) determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences Between Expected and Actual Experience	$6,378,932,312	$11,139,706,892
Changes of assumptions or other inputs	10,004,978,073	11,662,607,882
Total	$16,383,910,385	$22,802,314,774

NOTE 9: POST-RETIREMENT BENEFITS-(Continued)

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

Year ended June 30:	
2025	($2,115,877,507)
2026	($1,774,175,666)
2027	($842,677,045)
2028	$221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	($6,418,404,389)

NOTE 10: COMPENSATED ABSENCES

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No.101 (GASB 101), "Compensated Absences". Examples of compensated absences are paid time off, sick leave, holidays, parental leave, military leave, jury duty, bereavement, sabbatical, and floating holidays.

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

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

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

NOTE 11: RISK MANAGEMENT

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

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

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

NOTE 11: RISK MANAGEMENT-(Continued)

Fiscal Year	District Contributions	Employee Contributions	Interest Income	Amount Reimbursed	Ending Balance
2024-2025	-	$0	$577	15,244	$2,660
2023-2024	-	$46	$566	4,026	$17,327
2022-2023	-	$2,836	$432	7,941	$20,741

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

NOTE 13: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the $1,295,188 General Fund fund balance at June 30, 2025; $12,625 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended; ($12,625 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2026); $50,000 has been appropriated and included as anticipated revenue for the year ending June 30, 2026; $234,890 is reserved for encumbrances; $458,714 is reserved for capital reserve account; $272,707 is reserved for Maintenance Reserve; $135,413 is reserve for Emergency Reserve; $2,660 is reserved for unemployment compensation, and $128,179 is unreserved/ undesignated.

NOTE 14: CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 14: CAPITAL RESERVE ACCOUNT-(Continued)

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	$	521,059
Budgeted Withdrawal		(81,200)
Interest Earnings		18,855
Ending Balance, June 30, 2025	$	458,714

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2024, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	$	266,116
Interest Earnings		6,591
Ending balance June 30, 2025	$	272,707

NOTE 16: EMERGENCY RESERVE ACCOUNT

A maintenance reserve account was established by the School District Board of Education in fiscal year 2024, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	$	130,373
Interest Earnings		5,040
Ending balance June 30, 2025	$	135,413

NOTE 17: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is zero.

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

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

	Interfund Receivable	Interfund Payable
General Fund	$ 122,059	-
Special Revenue Fund		$ 110,226
Enterprise Fund	-	11,833
	$ 122,059	$ 122,059

The special revenue fund interfund owes the general fund for cash advances in anticipation of subsequent federal grant receipts. The enterprise fund owes the general fund for food service expenditures paid for by the general fund. All interfund balances are expected to be liquidated in the subsequent year.

NOTE 19: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	$ 2,543,592		$ 2,543,592	$ 2,543,592	
Tuition from Individuals	34,760		34,760	41,140	$ 6,380
Interest Earned on Capital Reserve Funds	6,000		6,000	18,855	12,855
Miscellaneous	37,292		37,292	77,634	40,342
Total - Local Sources	2,621,644		2,621,644	2,681,221	59,577
State Sources:					
Transportation Aid	81,177		81,177	81,177	
Special Education Aid	114,922		114,922	114,922	
Security Aid	12,976		12,976	12,976	
Other State Aid				17,863	17,863
TPAF Pension Contrib. (On-Behalf - Non-Budgeted)				326,819	326,819
TPAF Post Ret. Medical (On-Behalf - Non-Budgeted)				95,497	95,497
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				183	183
TPAF Social Security (Reimbursed - Non-Budgeted)				70,494	70,494
Total State Sources	209,075		209,075	719,931	510,856
TOTAL REVENUES	**2,830,719**	**-**	**2,830,719**	**3,401,152**	**570,433**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	35,899	23,715	59,614	59,614	-
Kindergarten - Salaries of Teachers	70,303	(900)	69,403	69,318	85
Grades 1-5 - Salaries of Teachers	498,341	(24,200)	474,141	474,126	15
Grades 6-8 - Salaries of Teachers	62,165	(1,989)	60,176	60,176	
Salaries of Teachers	-	362	362	362	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	71,149	(7,050)	64,099	64,038	61
Purchased Technical Services	6,000	(4,240)	1,760	1,760	-
Other Purchased Services (400-500 series)	56,200	(19,174)	37,026	29,757	7,269
General Supplies	13,123	(1,040)	12,083	8,518	3,565
TOTAL REGULAR PROGRAMS - INSTRUCTION	**813,180**	**(34,516)**	**778,664**	**767,669**	**10,995**
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	141,316	(40,102)	101,214	100,300	914
Total Resource Room/Resource Center	141,316	(40,102)	101,214	100,300	914
TOTAL SPECIAL EDUCATION - INSTRUCTION	**141,316**	**(40,102)**	**101,214**	**100,300**	**914**
TOTAL INSTRUCTION	**954,496**	**(74,618)**	**879,878**	**867,969**	**11,909**
UNDISTRIBUTED EXPENDITURES					
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	5,575	-	5,575	3,694	1,881
Supplies and Materials	300	(300)	-	-	-
Total School-Spon. Cocurricular Actvts. - Inst.	5,875	(300)	5,575	3,694	1,881

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Tuition:					
Tuition to Other LEAs Within the State - Special	60,182	(1,775)	58,407	10,981	47,426
Total Tuition	60,182	(1,775)	58,407	10,981	47,426
Health Services:					
Salaries	89,453	1,000	90,453	90,446	7
Purchased Professional and Technical Services	1,700	(200)	1,500	1,500	-
Supplies and Materials	300	(1,800)	(1,500)	(1,500)	
Total Health Services	91,453	(1,000)	90,453	90,446	7
Other Supp. Services Students-Related Services:					
Purchased Professional - Educational Services	46,810	31,235	78,045	78,005	40
Total Other Supp. Services Students-Related Services	46,810	31,235	78,045	78,005	40
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	35,000	2,468	37,468	37,468	
Salaries of Other Professional Staff	51,509	(31,689)	19,820	19,818	2
Salaries of Secretarial and Clerical Assistants	17,057	500	17,557	17,555	2
Other Purchased Services (400-500 series)	-	74,727	74,727	59,866	14,861
Social Security Contributions	-	200	200	200	-
Total Other Supp. ServicesStudents-Special	103,566	46,206	149,772	134,907	14,865
Improvement of Instruction Services:					
Salary of Supervisor of Instruction	-	65,933	65,933	65,933	-
Salary of Other Professional Staff	3,525	9,630	13,155	13,133	22
Salary of Sec and Clerical Assist	3,838	964	4,802	4,800	2
Total Improvement of Instruction Services	7,363	76,527	83,890	83,866	24
Educational Media Services/School Library:					
Salaries	54,303		54,303	54,303	
Purchased Professional and Technical Services	4,800	(2,800)	2,000	2,000	
Supplies and Materials	500	149	649	649	-
Total Educational Media Services/School Library	59,603	(2,651)	56,952	56,952	-

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Supp. Services - General Administration:					
Salaries	65,663	(9,678)	55,985	55,982	3
Legal Services	5,000	(2,359)	2,641	2,375	266
Audit	15,000	942	15,942	15,942	
Communications/Telephone	3,300	(2,800)	500	500	
Other Purchased Services (400-500 series)	5,000	453	5,453	5,424	29
General Supplies	800	(574)	226	166	60
BOE Membership Dues	5,500	(750)	4,750	4,750	
Total Supp. Services - General Administration	100,263	(14,766)	85,497	85,139	358
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	88,663	(35,000)	53,663	52,530	1,133
Salaries of Secretarial and Clerical Assistants	2,132	1,533	3,665	3,655	10
Total Support Services - School Administration	90,795	(33,467)	57,328	56,185	1,143
Support Services - Central Services:					
Salaries	82,000	5,300	87,300	87,217	83
Miscellaneous Purchased Services (400-500 series)	5,800	2,043	7,843	7,843	-
Supplies and Materials	400	2,655	3,055	2,931	124
Other Objects	3,000	4,901	7,901	7,901	-
Total Support Services - Central Services	91,200	14,899	106,099	105,892	207
Required Maintenance for School Facilities:					
Salaries	9,970	(9,960)	10	-	10
Cleaning, Repair and Maintenance Services	44,000	44,059	88,059	86,816	1,243
General Supplies	13,000	(6,305)	6,695	6,558	137
Total Required Maintenance for School Facilities	66,970	27,794	94,764	93,374	1,380

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Operations and Maintenance of Plant:					
Salaries	114,616	(723)	113,893	113,852	41
Salaries of Non-Instruct Aides	8,732	-	8,732	8,732	
Purchased Professional and Technical Services	15,000	(2,920)	12,080	12,080	
Cleaning, Repair and Maintenance Services	1,000	(730)	270	264	6
Other Purchased Property Services	4,850	(4,850)	-	-	
Insurance	87,000	(6,385)	80,615	80,551	64
General Supplies	4,000	6,331	10,331	9,894	437
Energy (Electricity)	30,000	4,421	34,421	34,405	16
Energy (Oil)	45,000	2,423	47,423	47,423	
Professional Services - Security Officer	56,700	(9,086)	47,614	32,510	15,104
Total Other Operations and Maintenance of Plant	366,898	(11,519)	355,379	339,711	15,668
Care and Upkeep of Grounds:					
Purchased Professional and Technical Services	11,500	7,115	18,615	18,615	-
Total Care and Upkeep of Grounds	11,500	7,115	18,615	18,615	-
Student Transportation Services					
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	11,513	1,772	13,285	13,275	10
Contracted Serv. - Aid in Lieu - NonPub School	3,000	4,131	7,131	7,062	69
Contracted Services (Betw. Home and School)-Vendors	283,092	8,727	291,819	291,819	-
Contrac. Serv.(Other than Bet.Home and School)-Vendors	6,000	(3,600)	2,400	2,337	63
Contracted Services Reg Stud ESC/CTSA	4,200	(4,200)	-	-	-
Contracted Services Sp ed ESC/CTSA	3,000	4,416	7,416	7,416	-
Total Student Transportation Services	310,805	11,246	322,051	321,909	142

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
ALLOCATED BENEFITS					
Regular Programs-Instruction:					
Social Security Contributions	24,706	13,873	38,579	38,467	112
Other Retirement Contributions - PERS	14,490	37,500	51,990	29,746	22,244
Other Retirement Contributions - Regular (DCRP)	4,350	-	4,350	4,039	311
Workmen's Compensation	20,000	(20,000)	-	-	-
Health Benefits	302,380	(44,599)	257,781	250,282	7,499
Tuition Reimbursement	2,000	(2,000)	-	-	-
Other Employee Benefits	8,600	17,905	26,505	11,500	15,005
Total Regular Programs-Instruction	376,526	2,679	379,205	334,034	45,171
Health Services-Employee Benefits:					
Social Security Contributions	550	(550)	-	-	-
Workmen's Compensation	100	-	100	-	100
Health Benefits	14,014	(14,014)	-	-	-
Total Health Services-Employee Benefits	14,664	(14,564)	100		100
Support Services - General Administration:					
Social Security Contributions	465	(283)	182	-	182
Workmen's Compensation	870	(870)	-	-	
Total Support Services - General Administration	1,335	(1,153)	182		182
Support Services - School Administration:					
Social Security Contributions	270	(270)		-	-
Workmen's Compensation	500	(420)	80		80
Total Support Services - School Administration	770	(690)	80		80
Central Services:					
Social Security Contributions	-	-	-	-	-
Workmen's Compensation	350	(350)	-	-	-
Total Central Services	350	(350)			
Transportation:					
Health Benefits	14,500	(11,306)	3,194	2,011	1,183
Total Transportation	14,500	(11,306)	3,194	2,011	1,183
TOTAL ALLOCATED BENEFITS	**408,145**	**(25,384)**	**382,761**	**336,045**	**46,716**

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Unemployment Compensation		14,715	14,715	29,382	(14,667)
TOTAL UNALLOCATED BENEFITS		14,715	14,715	29,382	(14,667)
UNALLOCATED BENEFITS - ON-BEHALF:					
On-behalf TPAF pension Contrib. (non-budgeted)				326,819	(326,819)
On-behalf TPAF PRM Contrib. (non-budgeted)				95,497	(95,497)
On-behalf TPAF pension LTD Ins. (non-budgeted)				183	(183)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				70,494	(70,494)
TOTAL ON-BEHALF CONTRIBUTIONS				492,993	(492,993)
TOTAL PERSONAL SERVICES-EMPLOYEE BEN.	408,145	(10,669)	397,476	858,420	(460,944)
TOTAL UNDISTRIBUTED EXPENDITURES	**1,821,428**	**138,875**	**1,960,303**	**2,338,096**	**(377,803)**
Transfer of Funds to Charter Schools	131,674	91,910	223,584	90,290	133,294
TOTAL GENERAL CURRENT EXPENSE	**2,907,598**	**156,167**	**3,063,765**	**3,296,355**	**(232,600)**
Facilities Acquisition and Construction Services:					
Construction Services	305,000		305,000	56,000	249,000
Total Facilities Acquisition and Construction Services	305,000		305,000	56,000	249,000
TOTAL CAPITAL OUTLAY	**305,000**		**305,000**	**56,000**	**249,000**
TOTAL EXPENDITURES	**3,212,598**	**156,167**	**3,368,765**	**3,352,355**	**16,400**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(381,879)	(156,167)	(538,046)	48,797	586,833

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Exhibit C-1

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources:					
Operating Transfer In/(Out)					
Transfer to Food Service Fund	(4,000)	(48,396)	(52,396)	(47,008)	(5,388)
Total Other Financing Sources:	(4,000)	(48,396)	(52,396)	(47,008)	(5,388)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(385,879)	(204,563)	(590,442)	1,789	581,445
Fund Balance, July 1	1,314,306		1,314,306	1,314,306	
Fund Balance, June 30	$ 928,427	$ (204,563)	$ 723,864	$ 1,316,095	$ 581,445

Recapitulation:	
Restricted for:	
Capital Reserve	$ 458,714
Maintenance Reserve	272,707
Emergency Reserve	135,413
Excess Surplus-Designated for Subsequent Year's Expenditures	12,625
Unemployment Compensation	2,660
Assigned to:	
Designated for Subsequent Year's Expenditures	50,000
Year End Encumbrances	234,890
Unassigned:	
Unrestricted Fund Balance	149,086
Fund Balance per Governmental Funds(Budgetary Basis)	1,316,095
Reconciliation to Governmental Funds Statement(GAAP Basis):	
Last State Aid Payment not recognized on GAAP basis	(20,907)
Fund Balance per Governmental Funds(GAAP Basis)	$ 1,295,188

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources	$ 84,526	$ 86,116	$ 170,642	$ 170,595	$ (47)
Total Revenues	**84,526**	**86,116**	**170,642**	**170,595**	**(47)**
EXPENDITURES:					
Instruction					
Tuition	31,150	3,512	34,662	34,662	
General Supplies		16,785	16,785	16,738	47
Total Instruction	31,150	20,297	51,447	51,400	47
Support Services					
Other Salaries		3,000	3,000	3,000	
Purchased Professional Education Serv.	23,376	58,620	81,996	81,996	
Facilities & Buildings	30,000	3,208	33,208	33,208	
Supplies and Materials		991	991	991	
Total Support Services	53,376	65,819	119,195	119,195	
Total Expenditures	84,526	86,116	170,642	170,595	47
Total Outflows	**$ 84,526**	**86,116**	**$ 170,642**	**$ 170,595**	**$ 47**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

Fund Balance per Governmental Funds(Budgetary Basis)	None
Reconciliation to Governmental Funds Statement(GAAP Basis):	
Last State Aid Payment not recognized on GAAP basis	None
Fund Balance per Governmental Funds(GAAP Basis)	None

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	$ 3,401,152	$ 170,595
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(2,883)
Adjustment for: Prior Year Final State Aid Payment not included in Budgetary State Source Revenues and is considered a revenue for GAAP reporting purposes	20,795	N/A
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(20,907)	N/A
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	$ 3,401,040	$ 167,712
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	$ 3,352,355	$ 170,595
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for *budgetary* purposes, but in the year the supplies are received for *financial reporting* purposes.		
Prior Year Encumbrances	N/A	-
Current Year Encumbrances	N/A	(2,883)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	$ 3,352,355	$ 167,712

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	$ 4,696,527	$ 4,400,156	$ 4,070,621	$ 4,023,494	$ 5,493,864	$ 4,443,428	$ 7,423,986	$ 7,699,343	$ 8,804,278	$ 8,162,806
Total	$ 4,696,527	$ 4,400,156	$ 4,070,621	$ 4,023,494	$ 5,493,864	$ 4,443,428	$ 7,423,986	$ 7,699,343	$ 8,804,278	$ 8,162,806
District's covered employee payroll	$ 880,498	$ 930,842	$ 1,112,629	$ 1,058,220	$ 958,722	$ 873,664	$ 881,102	$ 777,133	$ 935,428	$ 1,238,787
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

Public Employees' Retirement System (PERS)

Exhibit L-1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0015989%	0.0016407%	0.0012403%	0.0012128%	0.0005692%	0.0007505%	0.0007419%	0.0000000%	0.0000000%	0.0005447%
District's proportionate share of the net pension liability (asset)	$ 217,264	$ 237,641	$ 187,181	$ 143,671	$ 92,825	$ 135,226	146,086	-	$ -	$ 122,275
District's covered employee payroll	$ 136,183	$ 131,112	$ 126,248	$ 91,004	$ 91,417	$ 76,933	$ 41,188	$ 43,405	$ 30,652	$ 237,523
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	159.54%	181.25%	148.26%	157.87%	101.54%	175.77%	354.68%	0.00%	0.00%	51.48%
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	$ 880,498	$ 930,842	$ 1,112,629	$ 1,058,220	$ 958,722	$ 873,664	$ 881,102	$ 777,133	$ 935,428	$ 1,238,787
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 43,685	$ 22,159	$ 15,641	$ 14,203	$ 6,227	7,386	7,488	-	-	$ 4,683
Contributions in relation to the contractually required contribution	(43,685)	(22,159)	(15,641)	(14,203)	(6,227)	(7,386)	(7,488)	-	-	(4,683)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	$ 136,183	$ 131,112	$ 126,248	$ 91,004	$ 91,417	$ 76,933	$ 41,188	$ 43,405	$ 30,652	$ 237,523
Contributions as a percentage of covered-employee payroll	32.08%	16.90%	12.39%	15.61%	6.81%	9.60%	18.18%	0.00%	0.00%	1.97%

Frelinghuysen Township School District **Exhibit M-1**
Required Supplementary Information - Part III
Schedule of Changes in the State's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

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

The State of New Jesrsey's Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service Cost	$ 2,152,062,729	$ 2,136,235,476	$ 2,770,618,025	$ 3,217,184,264	$ 1,790,973,822	$ 1,734,404,850	$ 1,984,642,729	$ 2,391,878,884	$ 1,723,999,319	
Interest	1,963,557,443	1,844,113,951	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792	
Change in Benefit Terms	-	-	-	-63870842						
Differences Between Expected and Actual Experience	158,934,425	(980,424,863)	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740			
Benefit Payments	(1,499,600,607)	-	(13,586,368,097)	59,202,405	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)	
Contributions from Members	51,347,810	(1,390,258,754)	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747	
Changes of Assumptions or other inputs	4,462,660,491	105,539,463	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521	
Net change in total OPEB liability	7,288,962,291	1,715,205,273	(9,361,188,004)	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360	
Total OPEB Liability - Beginning	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	$ 46,849,651,824	
Total OPEB Liability - Ending	$ 59,650,630,530	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's total OPEB liability **	$ 59,650,630,530	$ 52,361,668,239	$ 50,646,462,966	$ 60,007,650,970	$ 67,809,962,608	$ 41,729,081,045	$ 46,110,832,982	$ 53,639,841,858	$ 57,831,784,184	
The State of New Jersey's OPEB liability attributable to the District **	$ 4,521,328	$ 4,589,908	$ 4,466,858	$ 5,593,742	$ 6,635,683	$ 4,492,395	$ 5,207,922	$ 6,170,365	$ 6,664,905	
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	
District's covered employee payroll	$ 1,016,681	$ 1,061,954	$ 1,238,877	$ 1,149,224	$ 1,050,139	$ 950,597	$ 922,290	$ 820,538	$ 966,080	
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
District's contribution	None	None	None	None	None	None	None	None	None	
State's covered employee payroll ***	$ 15,845,935,573	$ 15,314,749,297	$ 14,753,355,408	$ 14,425,669,769	$ 14,267,738,657	$ 13,929,083,479	$ 13,640,275,833	$ 13,493,400,208	$ 13,493,400,208	
Total State's OPEB liability as a percentage of its covered-employee payroll	376.44%	341.90%	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%	

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

*** Covered payroll for the Measurement Period ending June 30, 2023 and June 30, 2024 is based on the payroll on the June 30, 2022 and June 30, 2023 census data, respectively

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2025

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

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

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 3.65 percent in 2023 to 3.93 percent in 2024.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND
DETAIL STATEMENTS

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2025

	Title I	Title IIa	Title IV	IDEA Basic	IDEA Preschool	ARP ESSER III	ARP Accel. Learn.	ARP Summer	ARP Mental H.	REAP	Totals
REVENUES											
Federal Sources	$ 210	$ 2,259	$ 11,200	$ 34,662	$ 3,281	$ 33,208	$ 10,800	$ 677	$ 991	$ 73,307	$ 170,595
TOTAL REVENUES	**210**	**2,259**	**11,200**	**34,662**	**3,281**	**33,208**	**10,800**	**677**	**991**	**73,307**	**170,595**
EXPENDITURES:											
Instruction:											
Tuition				34,662							34,662
General Supplies	210		4,000		3,281			677		8,570	16,738
Total Instruction	210	-	4,000	34,662	3,281	-	-	677	-	8,570	51,400
Support Services:											
Other Salaries			3,000								3,000
Purchased Professional Education Serv.		2,259	4,200				10,800			64,737	81,996
Facilities & Buildings						33,208					33,208
Supplies and Materials									991		991
Total Support Services	-	2,259	7,200	-	-	33,208	10,800	-	991	64,737	119,195
TOTAL EXPENDITURES	**$ 210**	**$ 2,259**	**$ 11,200**	**$ 34,662**	**$ 3,281**	**$ 33,208**	**$ 10,800**	**$ 677**	**$ 991**	**$ 73,307**	**$ 170,595**
Total Outflows	**$ 210**	**$ 2,259**	**$ 11,200**	**$ 34,662**	**$ 3,281**	**$ 33,208**	**$ 10,800**	**$ 677**	**$ 991**	**$ 73,307**	**$ 170,595**
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)											

PROPRIETARY FUND
DETAIL STATEMENTS

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

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

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

FIDUCIARY FUND
DETAIL STATEMENTS

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

N/A

LONG-TERM DEBT SCHEDULES

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

The District has no outstanding debt issues.

Frelinghuysen Township School District
Statistical Section

Contents **Page**

Financial Trends (J-1 thru J-5) 82-87
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity (J-6 thru J-9) 88-91
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity (J-10 thru J-13) 92-95
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information (J-14 and J-15) 96-97
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information (J-16 thru J-20) 98-102
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources:

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

Frelinghuysen Township School District **Exhibit J-1**
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Invested in capital assets, net of related debt	$ 643,813	$ 570,004	$ 385,719	$ 317,291	$ 248,863	$ 253,477	$ 189,562	$ 105,963	$ 102,300	$ 155,500
Restricted	137,515	164,812	303,490	490,131	743,738	976,846	957,942	1,092,916	1,037,479	932,119
Unrestricted	(103,582)	(26,071)	40,656	64,055	118,818	119,721	114,474	22,422	52,195	188,352
Total governmental activities net position	$ 677,746	$ 708,745	$ 729,865	$ 871,477	$ 1,111,419	$ 1,350,044	$ 1,261,978	$ 1,221,301	$ 1,191,974	$ 1,275,971
Business-type activities										
Invested in capital assets, net of related debt								-	-	-
Restricted								-	-	-
Unrestricted	$ (629)	$ 1,595	$ 1,719	$ 2,437	$ 1,860	$ 1,825	$ 3,435	$ 12,805	$ (14,181)	$ 4,386
Total business-type activities net position	$ (629)	$ 1,595	$ 1,719	$ 2,437	$ 1,860	$ 1,825	$ 3,435	$ 12,805	$ (14,181)	$ 4,386
District-wide										
Invested in capital assets, net of related debt	$ 643,813	$ 570,004	$ 385,719	$ 317,291	$ 248,863	$ 253,477	$ 189,562	$ 105,963	$ 102,300	$ 155,500
Restricted	137,515	164,812	303,490	490,131	743,738	976,846	957,942	1,092,916	1,037,479	932,119
Unrestricted	(104,211)	(24,476)	42,375	66,492	120,678	121,546	117,909	35,227	38,014	192,738
Total district net position	$ 677,117	$ 710,340	$ 731,584	$ 873,914	$ 1,113,279	$ 1,351,869	$ 1,265,413	$ 1,234,106	$ 1,177,793	$ 1,280,357

Source: ACFR Scehdule A-1

Frelinghuysen Township School District **Exhibit J-2**
Changes in Net Position, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	$ 1,865,413	$ 2,008,575	$ 1,708,181	$ 1,573,502	$ 1,361,598	$ 1,593,947	$ 1,642,922	$ 1,478,241	$ 1,372,367	$ 1,189,650
Special education	235,903	189,801	229,722	248,864	200,004	161,497	151,997	151,990	149,021	104,198
Other special education	-	-	-	4,534	-	-	-	-	-	-
Support Services:										
Tuition	-	-	56,060	14,687	1,500	-	59,680	46,319	62,120	10,981
Student & instruction related services	305,571	375,832	487,582	445,761	402,782	450,404	432,592	525,816	368,098	551,609
General administrative services	314,450	327,607	254,331	266,074	227,044	229,010	177,238	193,716	216,136	198,455
School administrative services	118,969	142,334	100,100	101,330	81,030	76,707	87,727	60,487	53,644	58,369
Business administrative services										
Plant operations and maintenance	364,481	325,681	405,031	418,873	389,356	428,233	465,234	473,950	384,926	469,255
Pupil transportation	132,442	143,993	185,528	173,106	156,279	153,648	167,011	231,671	313,022	323,920
Interest on long-term debt										
Unallocated depreciation	9,885	11,137	6,843	6,843	6,843	8,669	9,238	8,360	366	280
Total governmental activities expenses	3,347,114	3,524,960	3,433,378	3,253,574	2,826,436	3,102,115	3,193,639	3,170,550	2,919,700	2,906,717
Business-type activities:										
Food service	56,815	58,483	59,517	49,326	35,888	31,960	65,311	63,128	70,451	60,922
Total business-type activities expense	56,815	58,483	59,517	49,326	35,888	31,960	65,311	63,128	70,451	60,922
Total district expenses	$ 3,403,929	$ 3,583,443	$ 3,492,895	$ 3,302,900	$ 2,862,324	$ 3,134,075	$ 3,258,950	$ 3,233,678	$ 2,990,151	$ 2,967,639
Program Revenues										
Governmental activities:										
Charges for services:										
Tuition	-	-	-	-	-	-	-	63,734	32,270	$ -
Operating grants and contributions	$ 1,371,541	$ 1,521,249	$ 1,548,794	$ 1,286,703	$ 905,084	$ 1,169,221	$ 830,515	$ 702,563	$ 476,185	356,501
Capital grants and contributions										
Total governmental activities program revenues	1,371,541	1,521,249	1,548,794	1,286,703	905,084	1,169,221	830,515	766,297	508,455	356,501
Business-type activities:										
Charges for services										
Food service	40,375	37,418	37,834	34,044	19,496	1,214	8,071	30,015	25,118	19,842
Operating grants and contributions	14,011	14,774	13,968	9,382	5,493	25,710	54,869	25,295	14,164	12,436
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	54,386	52,192	51,802	43,426	24,989	26,924	62,940	55,310	39,282	32,278
Total district program revenues	$ 1,425,927	$ 1,573,441	$ 1,600,596	$ 1,330,129	$ 930,073	$ 1,196,145	$ 893,455	$ 821,607	$ 547,737	$ 388,779
Net (Expense)/Revenue										
Governmental activities	$ (1,975,573)	$ (2,003,711)	$ (1,884,584)	$ (1,966,871)	$ (1,921,352)	$ (1,932,894)	$ (2,363,124)	$ (2,404,253)	$ (2,411,245)	$ (2,550,216)
Business-type activities	(2,429)	(6,291)	(7,715)	(5,900)	(10,899)	(5,036)	(2,371)	(7,818)	(31,169)	(28,644)
Total district-wide net expense	$ (1,978,002)	$ (2,010,002)	$ (1,892,299)	$ (1,972,771)	$ (1,932,251)	$ (1,937,930)	$ (2,365,495)	$ (2,412,071)	$ (2,442,414)	$ (2,578,860)

Continued

Frelinghuysen Township School District **Exhibit J-2**
Changes in Net Position, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	$ 1,942,041	$ 1,980,881	$ 2,025,499	$ 2,060,909	$ 2,102,128	$ 2,144,171	$ 2,224,585	$ 2,269,077	$ 2,314,460	$ 2,543,592
Taxes levied for debt service										
Investment earnings	1,293	3,048	7,045	12,985	10,362	3,742	3,810	27,851	39,732	47,277
Miscellaneous income	22,182	59,267	12,304	41,145	34,471	28,606	50,636	83,759	31,726	90,352
Transfers		(8,486)	(7,800)	(6,556)	(10,249)	(5,000)	(3,973)	(17,111)	(4,000)	(47,008)
Total governmental activities	1,965,516	2,034,710	2,032,048	2,108,483	2,136,712	2,171,519	2,275,058	2,363,576	2,381,918	2,634,213
Business-type activities:										
Miscellaneous Income	745	29	39	62	73	1	8	77	183	203
Transfers	-	8,486	7,800	6,556	10,249	5,000	3,973	17,111	4,000	47,008
Total business-type activities	745	8,515	7,839	6,618	10,322	5,001	3,981	17,188	4,183	47,211
Total district-wide	$ 1,966,261	$ 2,043,225	$ 2,039,887	$ 2,115,101	$ 2,147,034	$ 2,176,520	$ 2,279,039	$ 2,380,764	$ 2,386,101	$ 2,681,424
Change in Net Position										
Governmental activities	$ (10,057)	$ 30,999	$ 147,464	$ 141,612	$ 215,360	$ 238,625	$ (88,066)	$ (40,677)	$ (29,327)	$ 83,997
Business-type activities	(1,684)	2,224	124	718	(577)	(35)	1,610	9,370	(26,986)	18,567
Total district	$ (11,741)	$ 33,223	$ 147,588	$ 142,330	$ 214,783	$ 238,590	$ (86,456)	$ (31,307)	$ (56,313)	$ 102,564

Source: ACFR Schedule A-2

Frelinghuysen Township School District **Exhibit J-3**
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Reserved	$ 155,955	$ 166,455	$ 323,718	$ 512,504	$ 799,726	$ 1,014,148	$ 958,214	$ 1,094,628	$ 1,042,042	$ 1,167,009
Unreserved	189,002	189,194	191,413	193,487	197,083	204,845	234,773	272,703	251,469	128,179
Total general fund	$ 344,957	$ 355,649	$ 515,131	$ 705,991	$ 996,809	$ 1,218,993	$ 1,192,987	$ 1,367,331	$ 1,293,511	$ 1,295,188
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	-	-	-	-	-	-	-	-	-	-

Source: ACFR Schedule B-1

Frelinghuysen Township School District **Exhibit J-4**
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Tax levy	$ 1,942,041	$ 1,980,881	$ 2,025,499	$ 2,060,909	$ 2,102,128	$ 2,144,171	$ 2,224,585	$ 2,269,077	$ 2,314,460	$ 2,543,592
Tuition charges	-	-	-	-	-	-	-	63,734	32,270	41,140
Interest earnings	99	651	1,428	2,125	2,246	916	1,272	9,171	13,770	18,855
Miscellaneous	23,376	61,664	17,921	52,005	42,587	31,432	53,174	102,439	57,688	77,634
State sources	901,217	926,657	968,774	862,402	860,837	866,351	880,588	907,865	828,504	719,819
Federal sources	62,577	62,965	56,593	59,139	54,109	110,755	146,137	245,668	163,003	167,712
Total revenue	2,929,310	3,032,818	3,065,215	3,036,580	3,061,907	3,153,625	3,305,756	3,597,954	3,409,695	3,568,752
Expenditures										
Instruction										
Regular Instruction	1,318,584	1,356,257	1,098,378	1,128,383	1,091,489	1,118,826	1,286,681	1,236,856	1,257,291	1,153,103
Special education instruction	180,542	140,472	155,996	187,020	168,289	120,632	125,417	133,299	136,471	100,300
Other special instruction	-	-	-	3,407	-	-	-	-	-	-
Support Services:										
Tuition	-	-	56,060	14,687	1,500	-	59,680	46,319	62,120	10,981
Student & instruction related services	255,015	299,459	331,099	334,987	338,912	336,435	356,944	461,153	337,099	530,974
General administrative services	240,656	242,463	172,707	190,843	187,191	171,062	146,244	169,894	197,934	191,031
School Administrative services	91,050	105,342	67,974	76,149	68,181	57,297	72,386	53,049	49,126	56,185
Business administrative services										
Plant operations and maintenance	278,946	241,037	275,042	314,781	327,615	319,874	381,046	415,666	352,510	451,700
Pupil transportation	132,442	143,993	185,528	173,106	156,279	153,648	167,011	231,671	313,022	323,920
Unallocated employee benefits	283,201	307,529	381,841	295,791	341,150	416,525	482,903	534,428	595,886	522,375
Special Revenue										
Charter Schools	80,204	129,324	162,821	110,900	100,966	140,839	218,177	124,164	159,691	90,290
Capital outlay	51,845	47,764	10,487	9,110	3,850	91,303	31,300	-	18,365	89,208
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,912,485	3,013,640	2,897,933	2,839,164	2,785,422	2,926,441	3,327,789	3,406,499	3,479,515	3,520,067
Excess (Deficiency) of revenues over (under) expenditures	16,825	19,178	167,282	197,416	276,485	227,184	(22,033)	191,455	(69,820)	48,685
Other Financing Sources (uses)										
Transfers in										
Transfers out	-	(8,486)	(7,800)	(6,556)	(10,249)	(5,000)	(3,973)	(17,111)	(4,000)	(47,008)
Total other financing sources (uses)	-	(8,486)	(7,800)	(6,556)	(10,249)	(5,000)	(3,973)	(17,111)	(4,000)	(47,008)
Net change in fund balances	$ 16,825	$ 10,692	$ 159,482	$ 190,860	$ 266,236	$ 222,184	$ (26,006)	$ 174,344	$ (73,820)	$ 1,677
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Prior Year Expenditures	Tuition	Interest on Cap.Reserve Funds	Rentals	Miscellaneous	Total
2016	$ 1,194		$ 15,760	$ 99	$ 5,900	$ 522	$ 23,475
2017	2,397	$ 2,074	49,248	651	7,800	145	62,315
2018	5,617	193	-	1,428	11,700	411	19,349
2019	10,860		17,750	2,125	3,900	19,495	54,130
2020	8,116	13,471	16,950	2,246	4,050	-	44,833
2021	2,826	881	15,825	916	11,900	-	32,348
2022	2,538		39,477	1,272	8,400	2,759	54,446
2023	18,680	63,793	63,734	9,171	9,100	10,866	175,344
2024	25,962		32,270	13,770	7,700	24,026	103,728
2025	28,422	42,655	41,140	18,855	8,400	(1,843)	137,629

SOURCE: District Records

Frelinghuysen Township School District **Exhibit J-6**
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities **a**	Net Valuation Taxable	Total Direct School Tax Rate **b**	Estimated Actual (County Equalized Value)
2016	$5,725,100	$189,281,500	$74,232,400	$2,348,200	$19,375,178	$323,025,633	$31,577,140	$486,115	$291,448,493	$0.666	$291,646,351
2017	5,132,100	192,084,000	71,205,900	2,319,300	19,375,178	323,128,524	32,544,540	467,506	290,583,984	0.668	276,619,093
2018	4,860,300	191,901,400	72,260,200	2,306,800	19,375,178	323,715,924	32,544,540	467,506	291,171,384	0.694	278,427,549
2019	4,335,500	192,630,300	71,003,900	2,305,000	19,616,678	323,375,740	32,974,040	510,322	290,401,700	0.723	276,716,136
2020	3,893,900	191,930,400	72,006,600	2,264,400	19,581,578	323,612,519	33,421,400	514,241	290,191,119	0.724	287,386,828
2021	3,814,900	192,315,500	71,001,200	2,375,600	19,515,178	323,134,359	33,597,740	514,241	289,536,619	0.741	285,112,709
2022	4,191,800	192,518,000	70,809,500	2,351,600	19,415,178	324,214,359	34,414,040	514,241	289,800,319	0.768	279,243,888
2023	4,488,900	193,968,900	70,045,800	2,296,400	19,311,878	325,373,205	34,652,420	608,907	290,720,785	0.781	294,989,723
2024	3,843,100	191,852,400	71,938,500	2,428,500	19,311,878	324,870,205	34,886,920	608,907	289,983,285	0.798	332,879,900
2025	4,584,000	193,617,900	70,706,500	2,897,400	17,229,900	325,016,607	35,372,000	608,907	289,644,607	0.878	362,637,430

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per $100

Frelinghuysen Township School District **Exhibit J-7**
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(rate per $100 of assessed value)

	Frelinghuysen Board of Education			Overlapping Rates			
Fiscal Year Ended June 30,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Regional High School District	Frelinghuysen Township	Warren County	Total Direct and Overlapping Tax Rate
2016	$0.666	$0.000	$0.666	$0.755	$0.243	$0.776	$2.440
2017	0.668	0.000	0.668	0.718	0.247	0.724	2.357
2018	0.694	0.000	0.694	0.742	0.250	0.728	2.414
2019	0.723	0.000	0.723	0.749	0.277	0.695	2.444
2020	0.724	0.000	0.724	0.771	0.304	0.702	2.501
2021	0.741	0.000	0.741	0.755	0.315	0.691	2.502
2022	0.768	0.000	0.768	0.662	0.315	0.672	2.417
2023	0.781	0.000	0.781	0.660	0.319	0.689	2.449
2024	0.798	0.000	0.798	0.836	0.343	0.724	2.701
2025	0.878	0.000	0.878	0.868	0.348	0.763	2.857

Source: District Records and Municipal Tax Collector

Note:

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

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

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

Frelinghuysen Township School District **Exhibit J-8**
Principal Property Tax Payers,
Current Year and Nine Years Ago

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
TI Properties, LLC	$ 8,500,000	1	2.93%	$ 11,482,000	1	3.94%
845 Frelinghuysen, LLC	2,683,800	2	0.93%	1,783,800	2	0.61%
Individual Taxpayer #1	2,118,300	3	0.73%	1,412,100	3	0.48%
Individual Taxpayer #2	1,547,000	4	0.53%	1,306,100	4	0.45%
Individual Taxpayer #3	1,257,800	5	0.43%	1,116,300	5	0.38%
Individual Taxpayer #4	1,096,500	6	0.38%	988,400	6	0.34%
Individual Taxpayer #5	1,064,000	7	0.37%	928,800	7	0.32%
Individual Taxpayer #6	1,036,000	8	0.36%	856,300	8	0.29%
Individual Taxpayer #7	1,011,100	9	0.35%	813,300	9	0.28%
Individual Taxpayer #8	1,010,900	10	0.35%	811,300	10	0.28%
	$ 21,325,400		7.36%	$ 21,498,400		7.38%

Source: District ACFR & Municipal Tax Assessor

Frelinghuysen Township School District **Exhibit J-9**
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$1,942,041	$1,942,041	100.00%	-
2017	$1,980,881	$1,980,881	100.00%	-
2018	$2,025,499	$2,025,499	100.00%	-
2019	$2,060,909	$2,060,909	100.00%	-
2020	$2,102,128	$2,102,128	100.00%	-
2021	$2,144,171	$2,144,171	100.00%	-
2022	$2,224,585	$2,224,585	100.00%	-
2023	$2,269,077	$2,269,077	100.00%	-
2024	$2,314,460	$2,314,460	100.00%	-
2025	$2,543,592	$2,543,592	100.00%	-

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

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

Frelinghuysen Township School District **Exhibit J-10**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds [b]	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2016	-	-0-	-0-	-0-	-0-	-	0.00%	-
2017	-	-0-	-0-	-0-	-0-	-	0.00%	-
2018	-	-0-	-0-	-0-	-0-	-	0.00%	-
2019	-	-0-	-0-	-0-	-0-	-	0.00%	-
2020	-	-0-	-0-	-0-	-0-	-	0.00%	-
2021	-	-0-	-0-	-0-	-0-	-	0.00%	-
2022	-	-0-	-0-	-0-	-0-	-	0.00%	-
2023	-	-0-	-0-	-0-	-0-	-	0.00%	-
2024	-	-0-	-0-	-0-	-0-	-	0.00%	-
2025	-	-0-	-0-	-0-	-0-	-	0.00%	-

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Frelinghuysen Township School District **Exhibit J-11**
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2016	-	-0-	-	0.00%	-
2017	-	-0-	-	0.00%	-
2018	-	-0-	-	0.00%	-
2019	-	-0-	-	0.00%	-
2020	-	-0-	-	0.00%	-
2021	-	-0-	-	0.00%	-
2022	-	-0-	-	0.00%	-
2023	-	-0-	-	0.00%	-
2024	-	-0-	-	0.00%	-
2025	-	-0-	-	0.00%	-

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

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

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

***** Current data unavailable

Frelinghuysen Township School District **Exhibit J-12**
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Frelinghuysen Township	$ 1,678,032	100.00%	$ 1,678,032
Other debt			
Warren County	10,290,000	2.49%	256,197
Subtotal, overlapping debt			1,934,229
Frelinghuysen Township School District Direct Debt			-
Total direct and overlapping debt			$ 1,934,229

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

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

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

Frelinghuysen Township School District
Legal Debt Margin Information,
Last Ten Fiscal Years

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2025

		Equalized valuation basis	
		2024	332,392,848
		2023	361,694,979
		2022	374,378,078
	[A]		$ 1,068,465,905
Average equalized valuation of taxable property	**[A/3]**	$	356,155,302
Debt limit (2.5 % of average equalization value)	**[B]**		8,903,883
Net bonded school debt	**[C]**		-
Legal debt margin	**[B-C]**	$	8,903,883

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$7,175,496	$7,021,474	$6,895,279	$6,980,243	$7,050,178	$7,067,027	$7,124,934	$7,524,180	$8,223,911	$8,903,883
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$7,175,496	$7,021,474	$6,895,279	$6,980,243	$7,050,178	$7,067,027	$7,124,934	$7,524,180	$8,223,911	$8,903,883
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records ACFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

Frelinghuysen Township School District **Exhibit J-14**
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population [a]	Personal Income (thousands of dollars) [b]	Per Capita Personal Income [c]	Unemployment Rate [d]
2016	2,203	$ 113,181,200	$50,021 R	4.30%
2017	2,193	$ 117,179,359	$51,452 R	3.80%
2018	2,183	$ 116,804,642	$53,122 R	3.90%
2019	2,180	$ 116,590,518	$55,641 R	3.20%
2020	2,177	$ 121,814,034	$58,701 R	8.40%
2021	2,174	$ 125,774,596	$62,006 R	4.70%
2022	2,222	$ 134,486,550	$63,016 R	3.30%
2023	2,217	$ 139,761,897	$66,483 R	3.90%
2024	2,224	$ 139,936,304	$66,483 *	4.10%
2025	2,242	$ 149,054,886	$66,483 *	*

Source:

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

[b] Personal Income provided by US Dept of Commerce

[c] Per Capita provided by US Dept of Commerce

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

R Revised * Current data unavailable

Frelinghuysen Township School District **Exhibit J-15**
Principal Employers,
Current Year and Nine Years Ago **N/A**

	2025			2016		
Employer	**Employees**	**(Optional)**	**Total**	**Employees**	**Rank (Optional)**	**Total**
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

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

Frelinghuysen Township School District **Exhibit J-16**
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	11	11	11	9	10	10	11	11	11	10
Special education	3	5	5	9	6	6	6	6	6	5
Support Services:										
Student & instruction related services	1	1	1	2	2	2	2	2	2	2
General adminsitrative services	1	1	1	1	1	1	1	1	1	2
School administrative services	2	1	1	1	1	1	1	1	1	1
Business adminsitrative services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	0	2	2	2	3	3	3	3	3	2
Total	19	22	22	25	24	24	25	25	25	23

Source: District Personnel Records

Frelinghuysen Township School District **Exhibit J-17**
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff [b]	Ratio Elementary	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	154	$2,780,436	$ 17,603	0.00%	19	1:8.4	157.96	149.6	2.75%	94.7%
2017	151	$2,836,552	$ 18,785	6.72%	15	1:9.9	149.4	142.4	-4.81%	95.3%
2018	141	$2,724,625	$ 19,324	2.87%	15	1:9.4	140.0	134.2	-5.76%	95.9%
2019	149	$2,719,154	$ 18,249	-5.56%	15	1:9.9	146	139.5	3.95%	95.8%
2020	137	$2,680,606	$ 19,566	7.22%	15	1:9.1	135.0	131.0	-6.09%	97.0%
2021	130	$2,694,299	$ 20,725	5.92%	15	1:8.7	126.0	122.0	-6.87%	96.8%
2022	129	$3,078,312	$ 23,863	15.14%	12	1:10.8	129.3	122.5	0.41%	94.7%
2023	131	$3,282,335	$ 25,056	5.00%	12	1:10.9	130.2	121.5	-0.82%	93.3%
2024	120	$3,301,459	$ 27,512	9.80%	11	1:10.9	118.4	114.8	-5.51%	97.0%
2025	121	$3,340,569	$ 27,608	0.35%	12	1:10.1	117.9	112.6	-1.92%	95.5%

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

Note: Enrollment based on annual October district count.

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

Frelinghuysen Township School District **Exhibit J-18**
School Building Information
Last Ten Fiscal Years

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary										
Frelinghuysen School (1954)										
Square Feet (Floor area)	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650	31,650
Capacity (students)	374	374	374	374	374	374	374	374	374	374
Enrollment	154	151	141	149	137	130	129	131	120	121

Number of Schools at June 30, 2025

Elementary = 1

Source: District records, ASSA

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2025

Exhibit J-19

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

School Facilities	Project #	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Elementary School - Grades K through 6	N/A	$87,314	$36,166	$48,438	$91,373	$73,685	$78,424	$39,054	$85,480	$63,787	$ 93,374	$697,095
Total School Facilities		87,314	36,166	48,438	91,373	73,685	78,424	39,054	85,480	63,787	93,374	697,095
Other Facilities		NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
Grand Total		$87,314	$36,166	$48,438	$91,373	$73,685	$78,424	$39,054	$85,480	$63,787	$93,374	$697,095

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

Exhibit J-20

INSURANCE SCHEDULE
JUNE 30, 2025
UNAUDITED

POLICY TYPE	COVERAGE	DEDUCTIBLE
Commercial Package Policy - School Alliance Insurance Fund:		
PROPERTY SECTION:		
Blanket Building and Contents (fund limit)	$ 500,000,000	$ 2,500
Accounts Receivable	2,500,000	2,500
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
LIABILITY SECTION:		
Comprehensive General Liability	5,000,000	
Automobile Liability	5,000,000	
Employee Benefit Liability	5,000,000	1,000
EXCESS LIABILITY:		
Includes General/Auto Liability	5,000,000	
CRIME:		
Blanket Employee Dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
Computer Fraud	50,000	1,000
Funds Transfer Fraud	50,000	1,000
SCHOOL BOARD LEGAL LIABILITY	5,000,000	5,000
ENVIRONMENTAL IMPAIRMENT LIABILITY: (ACE)		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	25,000,000	
UST Coverage (Chubb)	1,000,000	5,000
WORKERS' COMPENSATION (SAIF):		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
Public Employees' Faithful Performance Blanket Position Bond - Selective Insurance Co.		
Treasurer - P Hatch	140,000	
BA - E Flores	140,000	

Single Audit Section

ARDITO & COMPANY LLC

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

Anthony Ardito, CPA, RMA, CMFO, PSA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

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

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

Report on Internal Control Over Financial Reporting

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

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

-Continued-

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the Frelinghuysen School District, in a separate letter dated November 28, 2025 entitled "Auditor's Management Report on Administrative Findings".

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 28, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 28, 2025

ARDITO & COMPANY LLC

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

Anthony Ardito, CPA, RMA, CMFO, PSA

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Frelinghuysen Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2025. The Frelinghuysen Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

-Continued-

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

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

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

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

Report on Internal Control Over Compliance

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

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

-Continued-

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

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey
November 28, 2025

Anthony Ardito

Anthony Ardito
Certified Public Accountant
Licensed Public School Accountant No. 2369
ARDITO & COMPANY LLC
Frenchtown, New Jersey
November 28, 2025

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2025

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance At June 30, 2024	Carryover/ Walkover Amount	Cash Received	Budgetary Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2025 Accounts Receivable	Balance at June 30, 2025 Deferred Revenue	Balance at June 30, 2025 Due to Grantor	Cumulative Total Expenditures
U.S. Dept. of Education Passed-Through State Dept. of Ed.:																
Special Revenue Fund:																
Title I	84.010	S010A240030	N/A	$ 210	7/1/24	6/30/25	$ (21,627)		$ 21,627	$ (210)			$ (210)			$ 210
Title II (A)	84.367A	S367B240027	N/A	2,259	7/1/24	6/30/25	(3,488)		3,488	(2,259)			(2,259)			2,259
Title IV	84.424A	S424A240031	N/A	10,000	7/1/24	6/30/25	-			(10,000)			(10,000)			10,000
Title IV	84.424A	S424A210031	N/A	10,000	7/1/21	6/30/22	1,200			(1,200)			-			10,000
Rural Education Achievement Prog.	84.358A	S358B210030	S358A212858	28,229	7/1/21	9/30/22	(12,991)				$ 12,991		-			28,229
Rural Education Achievement Prog.	84.358A	S358B220030	S358A222713	29,119	7/1/22	9/30/23	(16,349)		29,119	(8,570)	(4,200)		-			29,119
Rural Education Achievement Prog.	84.358A	S358B230030	S358A232588	31,573	7/1/23	9/30/24	-			(31,573)			(31,573)			31,573
Rural Education Achievement Prog.	84.358A	S358B240030	S358A242697	33,212	7/1/24	9/30/25	-			(33,164)	(1)		(33,212)	$ 47		33,165
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	N/A	34,662	7/1/24	6/30/25	(36,572)		36,572	(34,662)			(34,662)	-		34,662
I.D.E.A. Part B, Preschool	84.173	H173A240114	N/A	3,281	7/1/24	6/30/25	(3,350)		3,350	(3,281)			(3,281)	-		3,281
Special Education Cluster							(39,922)	-	39,922	(37,943)	-	-	(37,943)	-	-	37,943
American Rescue Plan-ESSER III	84.425U	S425U240027	ARP	100,650	3/13/20	9/30/24	(47,339)		80,547	(33,208)			-	-		100,650
American Rescue Plan-Accel. Learn. Coaching & Ed. Suppor	84.425U	S425U240027	ARP	50,000	3/13/20	9/30/24	(4,048)		14,848	(10,800)			-	-		50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(39,323)		40,000	(677)			-	-		40,000
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U240027	ARP	40,000	3/13/20	9/30/24	(13,843)		13,843	-			-	-		40,000
American Rescue Plan-NJTSS Mental Health Support Staffin	84.425U	S425U240027	ARP	45,000	3/13/20	9/30/24	(27,466)		28,457	(991)			-	-		45,000
Total Education Stabilization Fund							(132,019)	-	177,695	(45,676)	-	-	-	-	-	275,650
Total Special Revenue Fund							**(225,196)**	**-**	**271,851**	**(170,595)**	**8,790**	**-**	**(115,197)**	**47**	**-**	**458,148**
U.S. Dept. of Agriculture Passed-Through State Dept. of Agriculture																
Enterprise Fund:																
Child Nutrition Cluster:																
National School Lunch Program (Food Distribution)	10.555	241NJ304N1199	N/A		7/1/23	9/30/24	559			(559)						559
National School Lunch Program (Food Distribution)	10.555	251NJ304N1199	N/A	2,677	7/1/24	9/30/25			2,677	(2,242)				435		2,242
National School Lunch Program	10.555	241NJ304N1199	N/A		7/1/23	9/30/24	(2,131)		2,131							
National School Lunch Program	10.555	251NJ304N1199	N/A	8,147	7/1/24	9/30/25			7,792	(8,147)			(355)			8,147
Summer EBT Administrative Cost	10.646	251NJ304N1803	N/A	643	7/1/24	9/30/25			643	(643)			-			643
Total Enterprise Fund							**(1,572)**	**-**	**13,243**	**(11,591)**	**-**	**-**	**(355)**	**435**	**-**	**11,591**
TOTAL FEDERAL ASSISTANCE							**$ (226,768)**	**-**	**$ 285,094**	**$ (182,186)**	**$ 8,790**	**-**	**$ (115,552)**	**$ 482**	**-**	**$ 469,739**

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

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

FRELINGHUYSEN TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2025

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2024	CARRY-OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2025 (ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	MEMO BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPEND.
State Department of Education														
General Fund:														
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	$ 81,177			$ 81,177	$ (81,177)						$ 8,118	$ 81,177
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	114,922			114,922	(114,922)						11,380	114,922
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	12,976			12,976	(12,976)						1,297	12,976
Extraordinary Aid	24-495-034-5120-057	7/1/23-6/30/24	22,264	(22,264)		22,264				-				
Extraordinary Aid	25-495-034-5120-057	7/1/24-6/30/25	17,863			-	(17,863)			$ (17,863)				17,863
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	326,819			326,819	(326,819)							326,819
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	95,497			95,497	(95,497)							95,497
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	183			183	(183)							183
Reimbursed TPAF Soc.Secur.Contrib.	25-495-034-5094-003	7/1/24-6/30/25	70,494	(3,574)		63,473	(70,494)			(10,595)				70,494
Total General Fund				**(25,838)**		**717,311**	**(719,931)**			**(28,458)**	**-**		**20,795**	**719,931**
State Department of Agriculture:														
Enterprise Fund:														
Nat.School Lunch Prog.(State Share)	24-100-010-3350-023	7/1/23-6/30/24		(88)		88								
Nat.School Lunch Prog.(State Share)	25-100-010-3350-023	7/1/24-6/30/25	845			781	(845)			(64)				845
Total Enterprise Fund				**(88)**		**869**	**(845)**			**(64)**				**845**
Total State Financial Assistance				**$ (25,926)**	**-**	**$ 718,180**	**$ (720,776)**	**-**	**-**	**$ (28,522)**	**-**	**-**	**$ 20,795**	**$ 720,776**
Less On-behalf TPAF Pension Amounts:														
On Behalf TPAF Pension	25-495-034-5094-002	7/1/24-6/30/25	326,819				326,819							
On Behalf TPAF Pension PRM	25-495-034-5094-001	7/1/24-6/30/25	95,497				95,497							
On Behalf TPAF Pension LTD Ins	25-495-034-5094-004	7/1/24-6/30/25	183				183							
Total State Expenditures Subject to Major Program Determination							**$ (298,277)**							

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($112) for the general fund and ($2,883) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2025

NOTE 3. (Continued)

	Federal	State	Total
General Fund	-	$ 719,819	$ 719,819
Special Revenue Fund	$ 167,712	-	167,712
Food Service Fund	11,591	845	12,436
Total Financial Assistance	$ 179,303	$ 720,664	$ 899,967

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
1) Material weakness(es) identified?	_x_ Yes ___ No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___ Yes _x_ None Reported
Noncompliance material to financial statements noted?	___ Yes _x_ No

Federal Awards **Not Applicable**

Internal control over major programs:	
1) Material weakness(es) identified?	___ Yes ___ No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___ Yes ___ None
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ?	___ Yes ___ No

Identification of major programs:

Assistance Listing	FAIN Number(s)	Name of Federal Program or Cluster
N/A		

Dollar threshold used to distinguish between Type A and Type B programs:	N/A
Auditee qualified as low-risk auditee?	___ Yes ___ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___Yes_x_No
Internal Control over major programs:	
1) Material weakness(es) identified?	___Yes_x_No
2) Were significant deficiencies identified that were not considered to be material weaknesses?	___Yes_x_None
Type of auditor's report on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?	_x_Yes___No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
25-495-034-5122-089	Special Education Aid (State Aid Cluster)
25-495-034-5122-084	Security Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings

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

Financial Statement

Finding 2025-001

Criteria or Specific Requirement:

Accounting records should be maintained for all enterprise funds.

Condition:

Accounting records, such as receipts and disbursement journals and general ledger accounts, were not maintained for the food service enterprise fund.

Context:

The district's management and the board of education were not able to monitor profitability of the food service fund, of which incurred an operating loss of $28,441 during the fiscal year.

Effect:

The statement of net position (balance sheet), statement of revenues, expenditures and changes in fund balance (profit and loss), and statement of cash flows were created after year end utilizing bank statement records.

Cause:

Lack of internal controls over the monitoring of food service fund.

Recommendation:

Internal controls should be improved to ensure that detailed records are maintained for the food service fund.

Views of management and planned corrective actions:

The district will implement internal controls to ensure the maintenance of accounting records for the food service fund.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section II-Financial Statement Findings - (Continued)

Finding 2025-002

Criteria or Specific Requirement:

A detailed listing of payroll tax liabilities and other payroll liabilities should be maintained to support the payroll and payroll agency cash balances.

Condition:

Payroll liability detail was not maintained to support the payroll and payroll agency cash balances.

Context:

The June 30, 2025 payroll cash balance of $3,335 and the payroll agency cash balance of $40,431 comprise 86.8% of general fund liabilities.

Effect:

Accounting records are not maintained to reflect payroll liability deposits, subsequent disbursements, and any remaining liability by category. The district can not determine if the cash balances are sufficient to cover actual payroll liabilities at any given time.

Cause:

Lack of internal controls over the monitoring of the payroll and payroll agency liability accounts.

Recommendation:

Internal controls should be improved to ensure a payroll liability detail is maintained by liability category to support cash balances in the payroll and payroll agency cash accounts.

Views of management and planned corrective actions:

The district will implement internal controls to ensure a payroll liability detail is maintained by liability category to support cash balances in the payroll and payroll agency cash accounts.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Prior year finding 2024-002 and 2024-003 is repeated in the current year as findings 2025-001 and 2025-002, respectively.