

BERKELEY TOWNSHIP SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BERKELEY TOWNSHIP SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Berkeley Township School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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BERKELEY TOWNSHIP SCHOOL DISTRICT

53 CENTRAL PARKWAY
BAYVILLE, NEW JERSEY 08721-2414

Tyler Verga, CPA
Business Administrator/Board Secretary

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February 9, 2022

Honorable President and
Members of the Board of Education
Berkeley Township School District
County of Ocean, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the Berkeley Township School District for the fiscal year ended June 30, 2021, 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 of Berkeley Township. To the best of my knowledge and belief, the data as presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's reports 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:** The Berkeley Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All

funds and account groups of the District are included in this report. The Berkeley Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PS through 6. These include regular programs, as well as Special Education for children with special needs. The District completed the 2020-2021 fiscal year with an average daily enrollment of 2,388 students. The following details the changes in the student average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2020-2021	2,388	-3.59
2019-2020	2,477	9.70%
2018-2019	2,258	4.20%
2017-2018	2,167	2.60%
2016-2017	2,112	-0.66%
2015-2016	2,126	1.09%
2014-2015	2,103	-0.43%
2013-2014	2,112	2.67%
2012-2013	2,057	1.73%
2011-2012	2,022	-0.69%

The District has experienced continual growth due to development within the Township along with the continued expansion of the preschool program.

2) ECONOMIC CONDITION AND OUTLOOK: The Berkeley Township, New Jersey area is bordered by the municipalities of Beachwood, Lacey Township, Manchester Township, Ocean Gate, Seaside Park, Toms River and South Toms River. The Township encompasses 41.9 square miles. The Township is part of Ocean County and is served by major transportation routes, including Route 9, the Garden State Parkway and a number of county roads.

The population of the Township of Berkeley is approximately 41,762 per the NJ Dept. of Labor & Workforce Development. Of this number, approximately 43% are senior citizens who reside in the retirement communities locally known as Holiday City and Silver Ridge Park. Said communities were established in the western section of the Township in the late 1960's and early 1970's.

The Township has not experienced any unusual increase in its' tax base with the exception of a Super Shop Rite located in the Berkeley Plaza on Route 9. Several additional strip malls located on Route 9 were completed in the last ten years.

Food chains, gas stations, auto-repair shops, fast food restaurants, convenience stores and miscellaneous service vendors comprise the bulk of the strip malls.

Since 1980 local school budgets had been rejected by the voters in the vast majority of the annual school elections. For budgets beginning with the 2012-2013 school year, voter approval is no longer required if the tax levy increase is below "CAP" or 2%. The 2019-2020 budget was within that "CAP," therefore voter approval was not needed.

In recognition of the impact residential developments had on the school system, a Special Election was held on March 12, 2002. Township voters approved the issuance of \$24,430,100 in bonds to fund the local share

of a \$33,491,000 building project. The project included additions and renovations to the three existing schools and construction of a new elementary school for grades 5 and 6. The remaining \$9,510,900 was funded by a grant from the New Jersey Economic Development Authority. The Bond sale closed on August 1, 2002. Construction was completed in 2005. Included in the 2019-20 Budgeted Appropriations is a line item "Assessment for Debt Service on SDA Funding." The assessment is paid to the State by a reduction in the State Aid paid to the District.

In April, 2010 the Board of Education issued Revenue Refunding Bonds for \$16,760,000. The results of this refunding created an economic gain with a net present value savings on interest expense of \$754,972. On October 29, 2012, Super Storm Sandy hit the Jersey Shore. It had a devastating effect on many of the homes located throughout the Township. The resulting uninhabitable residences have had a negative impact on the total ratables for the Township as well as unexpected costs related to repairs and clean up. In 2018 the total amount of ratables returned to the pre Super Storm Sandy amount.

In March, 2020 the world wide Corona Virus Pandemic suddenly closed schools and businesses. The School continued to operate in a virtual capacity and continues to do so in a modified hybrid fashion as of the issuance of this report.

3) SCHOOL DISTRICT PROFILE: The Berkeley Township Board of Education currently operates three Pre K – Grade 4 elementary schools and one Grade 5 – 6 school. The oldest school, Bayville Elementary School, was constructed in 1926, the H. & M. Potter School was built in 1973. A 10-room addition to the Clara B. Worth School, which opened in 1962 – 63, was constructed in 1983. Classroom additions to the Bayville School, Clara B. Worth School and H. & M. Potter School opened in September 2004. The central office and Directors of Elementary Education and Special Ed with their respective support staff are housed in separate annex buildings. There is also a bus garage complex for in-house vehicle maintenance. The construction of a 5,000 square foot building to house the Buildings & Grounds, Transportation, Technology and Dining Services Departments was completed in 2012.

The School District is governed by a 9-member Board of Education and administered by a Superintendent of Schools, a Business Administrator/Board Secretary, a Director of Curriculum/Personnel, a Director of Special Education Services, four School Principals, four Assistant Principals and a Supervisor of PreSchool.

The District operates a complete breakfast/lunch program in each school and an in-house transportation department that provides services for approximately 1,900 students daily.

4) MAJOR EDUCATIONAL INITIATIVES: During 2004 – 2005 school year, the District went through a major re-districting. The successful opening and staffing of the district's first middle school (Grades 5 and 6) took place in January, 2005.

Additions to the three elementary schools were completed in Spring 2005. Ten half-day Kindergarten classes were replaced by 14 all day Kindergarten classes in 2004 – 2005. The District takes pride in the condition of all its school campuses. Since 2006, all parking lots have been redone and 100% of all classrooms have been renovated with new ceilings, lighting, paint, flooring and whiteboards.

In 2011, the District completed a multi-year project installing district-wide phone upgrade with installation of classroom phones, VoIP phones, and a private fiber installation.

The District invested more than half a million dollars in a new Language Arts Program for all grade levels that was implemented in September 2012.

The District had added additional computer labs at each of the PK-4 schools in preparation for the new state PARCC testing. Bandwidth has also been increased from 200 Mbps to 500 Mbps for this initiative. 980 Chrome Books had been purchased for testing purposes. Additional Network Switches, access points, and WiFi were added in every classroom to make a more suitable PARCC testing environment. The PARCC tests were successfully administered for the first time in 2014-15.

The District has completed a one to one Chromebook initiative and currently has approximately 2,500 Chromebooks available for use by students in kindergarten through sixth grade.

Assessments in 2019-2020 were not administered due to the COVID-19 shut down.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

8) DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt includes \$159,598 Capital Leases payable, \$3,775,000 Bonds outstanding, and \$699,423 of compensated absences payable.

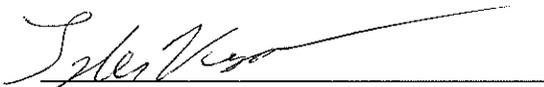
9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions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

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. See J-20 in the statistical section.

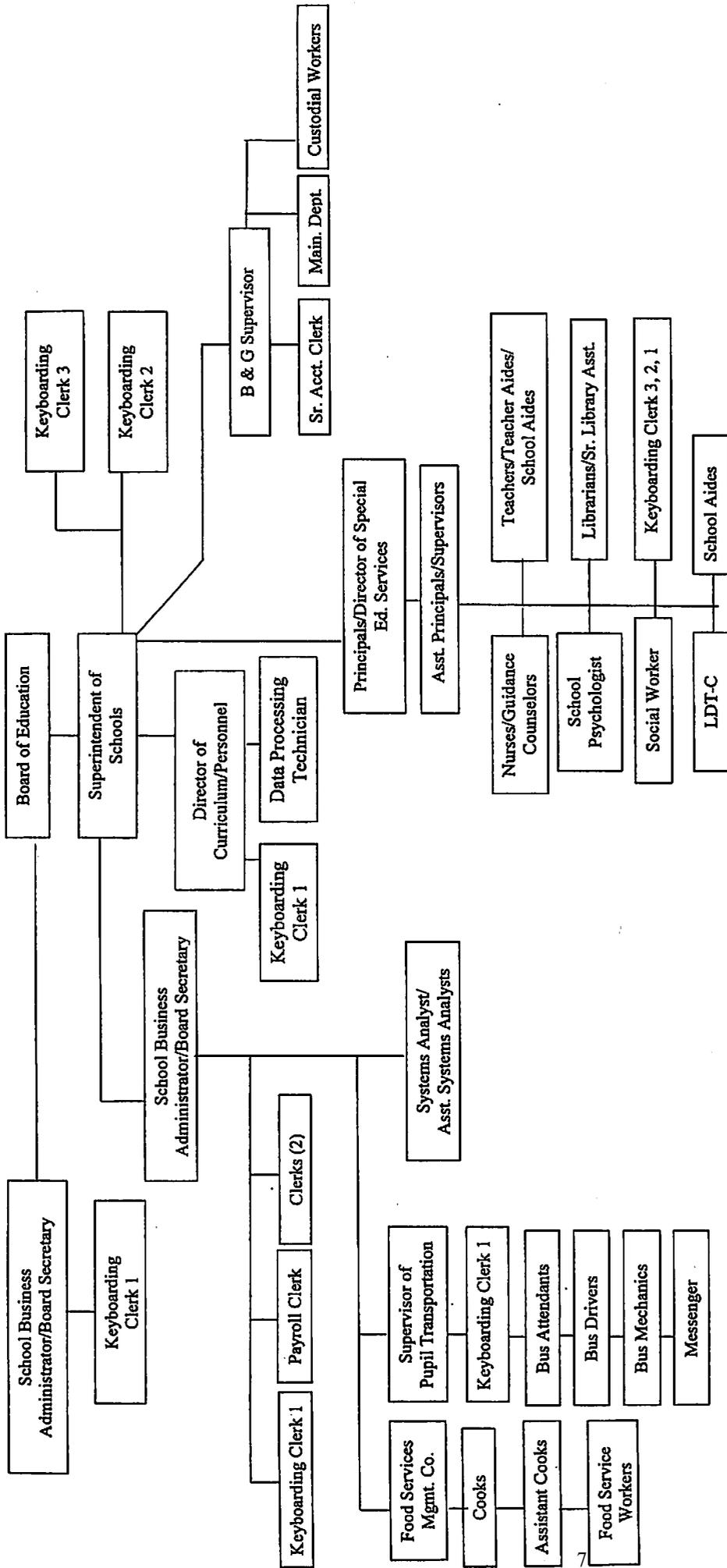
11) **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Berkeley Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) **ACKNOWLEDGMENTS:** I would like to express my appreciation to the Business Office staff and Superintendent's staff and to those municipal, county and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as can be found within this report. I further express my appreciation to the School District's auditing firm which provided guidance and advice during the preparation of this report.

Prepared by and Respectfully Submitted:


Tyler Verga, CPA
Business Administrator/Board Secretary

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POLICY 1110 ORGANIZATIONAL CHART (ADOPTION 7/1/18)

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BERKELEY TOWNSHIP SCHOOL DISTRICT
53 Central Parkway
Bayville, New Jersey 08721-2496

ROSTER OF OFFICIALS

JUNE 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Mrs. Jennifer Bacchione, President	2023
Mrs. Michele Shedlock, Vice President	2022
Mr. David Ytreboe	2023
Mr. Thomas Guarascio	2023
Mr. Douglas Bowens	2021
Mr. Keith Fisher	2021
Mr. John MacMoyle	2021
Mr. Steve Pellechia	2022
Mrs. Anne Marie Trethaway	2021

OTHER OFFICIALS

Dr. James D. Roselli, Superintendent of Schools

Ms. Laura Gingerelli, CPA, RSBA, RSBO, Business Administrator/Board Secretary

Mr. Carmen J. Memoli, CPA, Treasurer of School Monies

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BERKELEY TOWNSHIP SCHOOL DISTRICT
53 Central Parkway
Bayville, New Jersey 08721-2496

CONSULTANTS AND ADVISORS

ATTORNEY

John Sahradnik
Berry, Sahradnik, Kotzas, & Benson
212 Hooper Avenue
P.O. Box 757
Toms River, New Jersey 08754

AUDIT FIRM

Holman Frenia Allison, P.C.
1985 Cedar Bridge Road
Suite 3
Lakewood, New Jersey 08701

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended, June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township School District, County of Ocean, State of New Jersey, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 9, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
February 9, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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BERKELEY TOWNSHIP SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(UNAUDITED)

The Management's Discussion and Analysis (MD&A) of the Berkeley Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999 that is now being required by the New Jersey Statement Department of Education. Comparative information between the current fiscal year (2020–2021) and the prior fiscal year (2019-2020) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Government-wide Financial Analysis

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,253,025 on June 30, 2021. Total Net Position increased by \$1,393,303 from June 30, 2020.

**Table 1
Summary of Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 9,779,337	\$ 8,383,157	\$ 1,396,180	17%
Capital Assets, Net	19,912,639	21,231,629	(1,318,990)	-6%
Total Assets	<u>29,691,976</u>	<u>29,614,786</u>	<u>77,190</u>	<u>0%</u>
Deferred Outflow of Resources	<u>2,542,817</u>	<u>2,769,014</u>	<u>(226,197)</u>	<u>-8%</u>
Current and other Liabilities	1,553,295	892,818	660,477	74%
Noncurrent Liabilities	14,969,349	17,417,791	(2,448,442)	-14%
Total Liabilities	<u>16,522,644</u>	<u>18,310,609</u>	<u>(1,787,965)</u>	<u>-10%</u>
Deferred Inflow of Resources	<u>4,459,124</u>	<u>4,213,469</u>	<u>245,655</u>	<u>100%</u>
Net Position:				
Net Investment in Capital Assets	15,906,390	15,474,382	432,008	3%
Restricted	7,764,367	7,374,959	389,408	5%
Unrestricted (Deficit)	(12,417,732)	(12,989,619)	571,887	-4%
Total Net Position	<u>\$ 11,253,025</u>	<u>\$ 9,859,722</u>	<u>\$ 1,393,303</u>	<u>14%</u>

BERKELEY TOWNSHIP SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(UNAUDITED)

The largest portion of the District's net position is its investment in capital assets (e.g., land, construction in progress, buildings and improvements, furniture and equipment); less any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

**Table 2
Summary of Changes in Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 2,171	\$ 233,035	\$ (230,864)	0%
Operating Grants & Contributions	19,374,496	13,469,074	5,905,422	44%
General Revenues:				
Property Taxes	31,655,013	31,064,625	590,388	2%
Federal & State Aid	3,002,592	2,801,389	201,203	7%
Other General Revenues	754,093	632,445	121,648	19%
Total Revenues	<u>54,788,365</u>	<u>48,200,568</u>	<u>6,587,797</u>	14%
Function/Program Expenses:				
Instructional Services	17,005,701	16,574,680	431,021	3%
Tuition	225,408	176,510	48,898	28%
Student & Instruction Related Services	5,526,256	5,251,044	275,212	5%
Support Services	8,047,515	7,873,851	173,664	2%
Unallocated Benefits	19,591,043	15,238,650	4,352,393	29%
Interest & Other Charges	283,656	300,652	(16,996)	-6%
Unallocated Depreciation	1,560,940	1,612,316	(51,376)	-3%
Enterprise Funds	1,154,543	900,995	253,548	28%
Total Expenses	<u>53,395,062</u>	<u>47,928,698</u>	<u>5,466,364</u>	11%
Change In Net Position	1,393,303	271,870	1,121,433	412%
Net Position - Beginning	9,859,722	9,587,852	271,870	3%
Net Position - Ending	<u>\$ 11,253,025</u>	<u>\$ 9,859,722</u>	<u>\$ 1,393,303</u>	14%

BERKELEY TOWNSHIP SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(UNAUDITED)

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's fund financial statements start with Schedule C-1, "Budgetary Comparison Schedule." For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health.

Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Debt Service Fund. The remaining statement, Combining Statement of Fiduciary Net Position presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Berkeley, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal years ending June 30, 2021 and 2020, it reported combined fund balances of \$9,344,142 and \$8,031,529 respectively, which is a current year increase of \$1,312,613. The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (Exhibit B-3) to the Statement of Activities (Exhibit A-2) presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedule (Exhibit C-1). The School Board generally did better than had been budgeted in its General Fund since it forecasts revenues very conservatively and expenditures are budgeted with worst case scenarios in mind.

BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

GOVERNMENTAL ACTIVITIES

During the fiscal year 2021, the net position of governmental activities increased by \$2,006,606.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$11,182,661 with an unrestricted deficit balance of \$12,428,193. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$ (12,428,193)
Plus: PERS Pension Liability	10,163,204
Less: Deferred Outflows Related to Pensions	(2,442,344)
Plus: Deferred Inflows Related to Pensions	4,459,124
Unrestricted Net Position (Without GASB 68)	\$ (248,209)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2021 and 2020, the School Board had approximately \$19.9 and \$21.2 million, respectively, invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year and depreciation of depreciable assets for the year. The schedule below shows the net book value of general capital assets at the end of each year:

Table 4
Summary of Capital Assets

<u>Capital Assets (Net of Depreciation)</u>	Balance June 30, <u>2021</u>	Balance June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Site & Improvements	\$ 600,955	\$ 641,089	\$ (40,134)	-6.3%
Building & Building Improvements	18,076,319	19,316,386	(1,240,067)	-6.4%
Machinery & Equipment	1,235,365	1,274,154	(38,789)	-3.0%
	\$ 19,912,639	\$ 21,231,629	\$ (1,318,990)	-6.2%

During the current fiscal year \$251,891 of fixed assets were capitalized. Increases in Capital assets were offset by retirements of \$66,780 and depreciation expense of \$1,570,879 for the year.

BERKELEY TOWNSHIP SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(UNAUDITED)

Debt Administration:

During the fiscal year ended June 30, 2021 the following changes occurred in liabilities reported in the long-term debt:

Governmental	Balance 6/30/2020	Issued/(Retired) Adjustments	Balance 6/30/2021	Due Within One Year
Net Pension Liability	\$ 10,709,147	\$ (545,943)	\$ 10,163,204	\$ -
Compensated Absences Payable	770,544	(71,121)	699,423	-
Bonds Payable	5,520,000	(1,745,000)	3,775,000	1,835,000
Obligation Under Capital Leases	108,276	51,322	159,598	42,768
Bond Premium	309,825	(137,700)	172,125	137,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 17,417,792</u>	<u>\$ (2,448,442)</u>	<u>\$ 14,969,350</u>	<u>\$ 2,015,468</u>

For additional information, see Note #7 of Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original to Final Budget

Original Appropriations as compared to the Final Budget stayed relatively constant throughout the Budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2020–2021 school year, the School Board was able to sustain its budget through the Township tax levy, state education aid and local revenue sources. Only 17% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 83% of the total revenue is from the Township tax levy.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Laura Gingerelli, CPA, RSBA, School Business Administrator/Board Secretary, at the Berkeley Board of Education's office, 53 Central Parkway, Bayville, New Jersey 08721.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BERKELEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 4,355,103	\$ -	\$ 4,355,103
Receivables, Net (Note 4)	3,128,743	153,201	3,281,944
Restricted Cash & Cash Equivalents	2,142,290	-	2,142,290
Capital Assets, Net (Note 5)			
Non-depreciable	123,970	-	123,970
Depreciable	19,728,766	59,903	19,788,669
Total Assets	29,478,872	213,104	29,691,976
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,442,344	-	2,442,344
Related to Loss on Debt Refunding	100,473	-	100,473
Total Deferred Outflow of Resources	2,542,817	-	2,542,817
LIABILITIES:			
Cash Deficit	-	127,144	127,144
Accounts Payable	154,967	3,086	158,053
Payroll Deductions and Withholdings	74,763		74,763
Due to Other Governments	675,000	-	675,000
Unearned Revenue	458,598	12,510	471,108
Accrued Interest	47,227	-	47,227
Noncurrent Liabilities (Note 7):			
Due within one year	2,015,468	-	2,015,468
Due in more than one year	12,953,881	-	12,953,881
Total Liabilities	16,379,904	142,740	16,522,644
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	4,459,124	-	4,459,124
Total Deferred Inflow of Resources	4,459,124	-	4,459,124
NET POSITION:			
Net Investment in Capital Assets	15,846,487	59,903	15,906,390
Restricted for:			
Capital Projects (Note 3)	995,270	-	995,270
Maintenance Reserve (Note 3)	1,116,702	-	1,116,702
Emergency Reserve (Note 3)	30,318	-	30,318
Excess Surplus	5,622,077	-	5,622,077
Unrestricted (Deficit) (Note 18)	(12,428,193)	10,461	(12,417,732)
Total Net Position	\$ 11,182,661	\$ 70,364	\$ 11,253,025

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 8,897,654	\$ -	\$ -	(8,897,654)	\$ -	\$ (8,897,654)	
Special Education Instruction	7,311,049	-	3,424,695	(3,886,354)	-	(3,886,354)	
Other Special Instruction	791,598	-	-	(791,598)	-	(791,598)	
Other Instructional Programs	5,400	-	-	(5,400)	-	(5,400)	
Support Services:							
Tuition	225,408	-	-	(225,408)	-	(225,408)	
Student & Instruction Related Services	5,526,256	-	2,309,889	(3,216,367)	-	(3,216,367)	
General Administrative	737,974	-	-	(737,974)	-	(737,974)	
School Administrative Services	1,450,827	-	-	(1,450,827)	-	(1,450,827)	
Central Services	456,765	-	-	(456,765)	-	(456,765)	
Administrative Info, Technology	505,786	-	-	(505,786)	-	(505,786)	
Plant Operations & Maintenance	3,162,016	-	-	(3,162,016)	-	(3,162,016)	
Pupil Transportation	1,734,147	-	-	(1,734,147)	-	(1,734,147)	
Unallocated Benefits	6,896,352	-	-	(6,896,352)	-	(6,896,352)	
On Behalf TPAF Pension and Social Security Contributions	12,694,691	-	12,694,691	-	-	-	
Interest & Other Charges	283,656	-	-	(283,656)	-	(283,656)	
Unallocated Depreciation	1,560,940	-	-	(1,560,940)	-	(1,560,940)	
Total Governmental Activities	52,240,519	-	18,429,275	(33,811,244)	-	(33,811,244)	
Business-Type Activities:							
Food Service	1,154,543	2,171	945,221	-	(207,151)	(207,151)	
Total Business-Type Activities	1,154,543	2,171	945,221	-	(207,151)	(207,151)	
Total Primary Government	\$ 53,395,062	\$ 2,171	\$ 19,374,496	(33,811,244)	(207,151)	(34,018,395)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes				29,682,000	-	29,682,000	
Property Taxes, Levied for Debt Service				1,973,013	-	1,973,013	
Federal & State Aid Not Restricted				3,002,592	-	3,002,592	
Tuition Charges				406,280	-	406,280	
Service Provided Other LEA's				213,992	-	213,992	
Miscellaneous				105,618	-	105,618	
Investment Earnings				28,021	182	28,203	
Total General Revenues and Special Items				35,411,516	182	35,411,698	
Change In Net Position				1,600,272	(206,969)	1,393,303	
Net Position - Beginning				9,582,389	277,333	9,859,722	
Net Position - Ending				\$ 11,182,661	\$ 70,364	\$ 11,253,025	

B. Fund Financial Statements

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Governmental Funds

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	<u>TOTAL</u> JUNE 30, 2021
Cash & Cash Equivalents	\$ 4,667,937	\$ -	\$ 4,667,937
Receivables from:			
Federal	-	301,095	301,095
State	294,263	-	294,263
Other	2,510,612	22,773	2,533,385
Reserved Cash & Cash Equivalents:			
Capital Reserve	995,270	-	995,270
Maintenance Reserve	1,116,702	-	1,116,702
Emergency Reserve	30,318	-	30,318
Total Assets	<u>\$ 9,615,102</u>	<u>\$ 323,868</u>	<u>\$ 9,938,970</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ -	\$ 312,834	\$ 312,834
Accounts Payable	154,295	672	154,967
Payroll Deductions and Withholdings	74,763	-	74,763
Unearned Revenue	-	458,598	458,598
Total Liabilities	<u>229,058</u>	<u>772,104</u>	<u>1,001,162</u>
Fund Balances:			
Restricted for:			
Capital Reserve Account	995,270	-	995,270
Maintenance Reserve Account	1,116,702	-	1,116,702
Emergency Reserve Account	30,318	-	30,318
Excess Surplus	3,047,369	-	3,047,369
Excess Surplus Designated for Subsequent Year's Expenditures	2,574,708	-	2,574,708
Committed for:			
Other Purposes	411,164	-	411,164
Assigned for:			
Unassigned	1,210,513	(448,236)	762,277
Total Fund Balances	<u>9,386,044</u>	<u>(448,236)</u>	<u>8,937,808</u>
Total Liabilities & Fund Balances	<u>\$ 9,615,102</u>	<u>\$ 323,868</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position 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 \$52,084,344 and the accumulated depreciation is \$32,231,608			19,852,736
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.			
Deferred Outflows related to pensions			2,442,344
Deferred Inflows related to pensions			(4,459,124)
Deferred Outflow related to the loss on bond refunding of debt			100,473
Accrual of bond and lease interest is not due and payable in the current period and therefore are not reported as liabilities in the funds.			(47,227)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.			(675,000)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 7)			(14,969,349)
Net Position of Governmental Activities			<u>\$ 11,182,661</u>

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2021
Revenues:				
Local Tax Levy	\$ 29,682,000	\$ -	\$ 1,973,013	\$ 31,655,013
Interest on Investments	28,021	-	-	28,021
Tuition	406,280	-	-	406,280
Services Provided Other LEA's	213,992	-	-	213,992
Miscellaneous	105,618	61,793	-	167,411
Total Local Sources	30,435,911	61,793	1,973,013	32,470,717
State Sources	9,795,803	4,400,087	-	14,195,890
Federal Sources	112,945	1,272,704	-	1,385,649
Total Revenues	40,344,659	5,734,584	1,973,013	48,052,256
Expenditures:				
Current:				
Regular Instruction	8,968,775	-	-	8,968,775
Special Education Instruction	3,650,579	3,660,470	-	7,311,049
Other Special Instruction	791,598	-	-	791,598
Other Instructional Programs	5,400	-	-	5,400
Support Services & Undistributed Costs - Current:				
Tuition	225,408	-	-	225,408
Student & Instruction Related Services	3,216,367	2,309,889	-	5,526,256
General Administrative	737,974	-	-	737,974
School Administrative Services	1,450,827	-	-	1,450,827
Central Services	456,765	-	-	456,765
Administrative Information Technology	505,786	-	-	505,786
Plant Operations & Maintenance	2,862,360	-	-	2,862,360
Pupil Transportation	1,734,147	-	-	1,734,147
Unallocated Benefits	7,114,923	-	-	7,114,923
Nonbudgeted Expenditures	6,906,156	-	-	6,906,156
Debt Service:				
Principal	-	-	1,745,000	1,745,000
Interest	118,421	-	228,013	346,434
Capital Outlay	551,545	-	-	551,545
Total Expenditures	39,297,031	5,970,359	1,973,013	47,240,403
Excess/(Deficiency) of Revenues Over Expenditures	1,047,628	(235,775)	-	811,853
Other Financing Sources/(Uses):				
Capital Lease Proceeds	94,426	-	-	94,426
Local Contribution-Transfer to Special Revenue Regular	(75,000)	75,000	-	-
Total Other Financing Sources/(Uses)	19,426	75,000	-	94,426
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,067,054	(160,775)	-	906,279
Fund Balance - July 1	8,318,990	(287,461)	-	8,031,529
Fund Balance - June 30	\$ 9,386,044	\$ (448,236)	\$ -	\$ 8,937,808

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	906,279	
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	\$ (1,560,940)	
	Capital Outlays	<u>251,889</u>	(1,309,051)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.			
			161,251
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.			
			1,788,104
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
	Capital lease proceeds	<u>(94,426)</u>	(94,426)
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:			
	Amortization of premium on bonds	137,700	
	Amortization of loss on bond refunding	<u>(80,380)</u>	57,320
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).			
			19,674
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			
			<u>71,121</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,600,272</u></u>	

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Proprietary Funds

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		JUNE 30, 2021
	FOOD SERVICE	TECH EXPO	
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ -	\$ 2,980	\$ 2,980
Account Receivable:			
State	4,669	-	4,669
Federal	148,532	-	148,532
Total Current Assets	153,201	2,980	156,181
Noncurrent Assets:			
Furniture, Machinery & Equipment	346,196	-	346,196
Less: Accumulated Depreciation	(286,293)	-	(286,293)
Total Noncurrent Assets	59,903	-	59,903
Total Assets	213,104	2,980	216,084
 LIABILITIES			
Current Liabilities:			
Cash Deficit	\$ 130,124	\$ -	\$ 130,124
Due back to Parents	3,086	-	3,086
Unearned Revenue	12,510	-	12,510
Total Current Liabilities	145,720	-	145,720
 NET POSITION			
Net Investment in Capital Assets	59,903	-	59,903
Unrestricted	7,481	2,980	10,461
Total Net Position	\$ 67,384	\$ 2,980	\$ 70,364

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES -		TOTAL
	ENTERPRISE FUND		JUNE 30,
	FOOD SERVICE	TECH EXPO	2021
Operating Revenues:			
Charges for Services:			
Daily Sales - Nonreimbursable Programs	\$ 2,171	\$ -	\$ 2,171
Total Operating Revenues	2,171	-	2,171
Operating Expenses:			
Cost of Sales - Reimbursable Programs	918,733	-	918,733
Salaries & Benefits	194,561	-	194,561
Professional Services	3,077	-	3,077
General Supplies/Miscellaneous	28,233	-	28,233
Depreciation	9,939	-	9,939
Total Operating Expenses	1,154,543	-	1,154,543
Operating Loss	(1,152,372)	-	(1,152,372)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	24,641	-	24,641
Federal Sources:			
National School Lunch Program	524,299	-	524,299
National School Breakfast Program	305,773	-	305,773
National School Performance Based Program	10,456	-	10,456
U.S.D.A. Commodities	30,879	-	30,879
Emergency Operation Cost Program-Schools	49,173	-	49,173
Interest & Investment Revenue	182	-	182
Total Nonoperating Revenues/(Expenses)	945,403	-	945,403
Change in Net Position	(206,969)	-	(206,969)
Total Net Position - Beginning	274,353	2,980	277,333
Total Net Position - Ending	\$ 67,384	\$ 2,980	\$ 70,364

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUND		
	FOOD SERVICE	TECH EXPO	JUNE 30, 2021
Cash Flows From Operating Activities:			
Receipts from Customers	\$ (62,616)	\$ -	\$ (62,616)
Payments to Employees & Benefits	(194,561)	-	(194,561)
Payments to Suppliers	(916,078)	-	(916,078)
Net Cash Provided/(Used) by Operating Activities	<u>(1,173,255)</u>	<u>-</u>	<u>(1,173,255)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	24,641	-	24,641
Federal Sources	840,528	-	840,528
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>865,169</u>	<u>-</u>	<u>865,169</u>
Cash Flows From Investing Activities:			
Increase(Decrease)Transfers to/from Other Funds	250,000	-	250,000
Interest & Dividends	182	-	182
Net Cash Provided/(Used) by Investing Activities	<u>250,182</u>	<u>-</u>	<u>250,182</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(57,904)	-	(57,904)
Balances - Beginning of Year	(72,220)	2,980	(69,240)
Balances - End of Year	<u>\$ (130,124)</u>	<u>\$ 2,980</u>	<u>\$ (127,144)</u>
Reconciliation of Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Operating Loss	\$ (1,152,372)	\$ -	\$ (1,152,372)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
U.S.D.A. Commodities	30,879	-	30,879
Depreciation & Net Amortization	9,939	-	9,939
(Increase)/Decrease in Accounts Receivable	(65,059)	-	(65,059)
Increase (Decrease) in Parents	3,086	-	3,086
Increase (Decrease) Unearned Revenue	272	-	272
Total Adjustments	<u>(20,883)</u>	<u>-</u>	<u>(20,883)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (1,173,255)</u>	<u>\$ -</u>	<u>\$ (1,173,255)</u>

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

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Fiduciary Fund
Not Applicable

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BERKELEY TOWNSHIP SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The School District is a Type II district located in the County of Ocean, 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 appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels Preschool through 6th grade at its four school. The School District has an approximate enrollment at June 30, 2021 of 2,363 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

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

Component Units

GASB Statement No.14. *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2021.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

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

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

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Tech Expo Fund- The tech expo fund accounts for the financial transactions related to the exhibition of technology operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District has no fiduciary funds.

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.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Encumbrances

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

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

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

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

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

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

Unearned Revenue

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

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

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

Bond Premiums, Discounts and Issuance Costs

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Net Position

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

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

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 9, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

For the year June 30, 2021 the District implemented GASB Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Management has determined no prior period restatement is necessary.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Management has determined the implementation of this Statement did not have a significant impact on the Districts's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of this Statement did not have a significant impact on the Districts's financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of this Statement did not have a significant impact on the Districts's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of this statement.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is currently evaluating the impact of this statement.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021. Management is currently evaluating the impact of this statement.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$7,493,906 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 7,493,906
Total	\$ 7,493,906

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$1,000 on June 30, 1994 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 School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020.	\$ 992,540
Increased by:	
Interest Earnings	2,730
Ending Balance, June 30, 2021.	\$ 995,270

Emergency Reserve

The School District established an emergency reserve account by inclusion of \$250,000 on June 17, 2008 for the accumulation of funds for use in accordance with N.J.S.A. 18A: 7F-41c(1) to finance unanticipated general fund expenditures.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020.	\$ 30,235
Increased by:	
Interest Earnings	83
Ending Balance, June 30, 2021.	\$ 30,318

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

The School District established a maintenance reserve account by the inclusion of \$300,000 on June 17, 1994 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

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

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020.	\$	1,113,639
Increased by:		
Interest Earnings		3,063
		3,063
Ending Balance, June 30, 2021.	\$	1,116,702

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ -	\$ 301,095	\$ 301,095
State Awards	294,263	21,575	315,838
Other	2,510,612	22,773	2,533,385
Total	\$ 2,804,875	\$ 345,443	3,150,318
<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	<u>Food Service Fund</u>		
Federal Awards		\$ 148,532	\$ 148,532
State Awards		4,669	4,669
Total		\$ 153,201	\$ 153,201

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Governmental Activities			
	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 123,970	\$ -	\$ -	\$ 123,970
Total Capital Assets not being depreciated	123,970	-	-	123,970
Capital Assets being depreciated:				
Land Improvements	2,970,832	-	-	2,970,832
Buildings and Improvements	42,827,639	-	-	42,827,639
Equipment	5,976,792	251,891	66,780	6,295,463
Total Capital Assets being depreciated	51,775,263	251,891	66,780	52,093,934
Less: Accumulated Depreciation:				
Land Improvements	(2,453,713)	(40,134)	-	(2,493,847)
Buildings and Improvements	(23,511,253)	(1,240,067)	-	(24,751,320)
Equipment	(4,772,482)	(280,739)	(66,780)	(5,120,001)
Total Accumulated Depreciation	(30,737,448)	(1,560,940)	(66,780)	(32,365,168)
Total Capital Assets being depreciated, net	21,037,815	(1,309,049)	-	19,728,766
Total Governmental Activities Capital Assets, net	\$ 21,161,785	\$ (1,309,049)	\$ -	\$ 19,852,736
Business-Type Activities				
	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Business-Type Activities:				
Equipment	\$ 346,196	\$ -	\$ -	\$ 346,196
Total Capital Assets being depreciated	346,196	-	-	346,196
Less: Accumulated Depreciation:				
Equipment	(276,354)	(9,939)	-	(286,293)
Total Capital Assets being depreciated, net	(276,354)	(9,939)	-	(286,293)
Total Business-Type Activities Capital Assets, net	\$ 69,842	\$ (9,939)	-	\$ 59,903

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 6. Interfund Receivables, Payables and Transfers

There was no interfund payable or receivable at year end.

Interfund transfers for the year ended June 30, 2021 were as follows:

Fund	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ -	\$ 75,000
Special Revenue Fund	75,000	-
	\$ 75,000	\$ 75,000
	\$ 75,000	\$ 75,000

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 5,520,000	\$ -	\$ 1,745,000	\$ 3,775,000	\$ 1,835,000
Capital Leases	108,276	94,426	43,104	159,598	42,768
Unamortized Bond					
Premiums	309,825	-	137,700	172,125	137,700
Compensated Absences	770,544	-	71,121	699,423	-
Net Pension Liability	10,709,147	6,501,341	7,047,284	10,163,204	-
	\$ 17,417,792	\$ 6,595,767	\$ 9,044,209	\$ 14,969,350	\$ 2,015,468
	\$ 17,417,792	\$ 6,595,767	\$ 9,044,209	\$ 14,969,350	\$ 2,015,468

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

2010 Bonds

The Board of Education issued Revenue Refunding Bonds, Series 2010, dated April 8, 2010 in the amount of \$16,760,000. The proceeds of this bond issue were used to advance refund certain callable maturities of the Board of Education's outstanding Series 2002 Bonds dated August 1, 2002. The Series 2002 Bonds were redeemed on April 8, 2010 at a redemption price of 100% of the principal amount thereof. The bonds included premiums of \$1,721,248 and expenses of \$136,400 resulting in a long term loss on the refunding \$1,004,748. The results of the refunding created an economic gain on the transaction with a net present value savings on interest expense of \$754,972.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 7. Long-Term Obligations (Continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,835,000	\$ 142,875	\$ 1,977,875
2023	1,940,000	48,500	1,988,500
	<u>\$ 3,775,000</u>	<u>\$ 191,375</u>	<u>\$ 3,966,375</u>

Capital Lease Payable

On April 1, 2017, the School District entered into a lease purchase agreement in the amount of \$98,798 for Savin Copiers. The lease obligation was issued at an interest rate of 3.51% and matures on June 30, 2021.

On November 1, 2017, the School District entered into a lease purchase agreement in the amount of \$15,089 for a Savin Copier. The lease obligation was issued at an interest rate of 3.51% and matures on November 28, 2022.

On September 10, 2019, the School District entered into a lease purchase agreement in the amount of \$87,881 for Savin Copiers. The lease obligation was issued at an interest rate of 5.00% and matures on December 28, 2024.

On January 27, 2021, the School District entered into a lease purchase agreement in the amount of \$94,426 for Savin Copiers. The lease obligation was issued at an interest rate of 4.00% and matures on April 28, 2025.

	Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
	2022	\$ 49,090
	2023	47,244
	2024	45,481
	2025	<u>31,652</u>
Total Minimum Lease Payments		173,467
Less: Amount Representing Interest		<u>(13,869)</u>
Present Value of Minimum Lease Payments		<u>\$ 159,598</u>

Amortization of the leased equipment and improvements under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$10,163,204 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.062323%, which was an increase of 0.00288848% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$520,528 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 185,055	\$ 35,941
Changes of Assumptions	329,706	4,255,430
Net Difference between Projected and Actual Earnings on Pension Plan Investments	347,386	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	905,197	167,753
School District contributions subsequent to measurement date	675,000	-
	<u>\$ 2,442,344</u>	<u>\$ 4,459,124</u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

\$675,000 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2021	\$	(760,639)
2022		(1,115,809)
2023		(534,888)
2024		(242,493)
2025		(37,951)
	<u>\$</u>	<u>(2,691,780)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between District Contributions Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Years of Service
Thereafter	3.00% - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 12,894,381	\$ 10,163,204	\$ 7,993,455

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's portion	0.06232%	0.05946%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of *Chapter 78, P.L. 2011*, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$88,650,697. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.134627664%, which was an increase of 0.00428039% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized a pension expense in the amount of \$5,512,678 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	2.75% - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the 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 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 104,130,626	\$ 88,650,697	\$ 75,797,214

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021

	6/30/2021	6/30/2020
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
School District's portion	0.13463%	0.13035%

C Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
 - Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
 - Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
 - Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
-
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)

Note 8. Pension Plans (Continued)

Contributions - The contribution policy is set by *N.J.S.A. 43:15C-3* and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$53,529, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$39,415.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020. 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 the Scale MP-2020. Disability mortality was based on the PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PFRS and PERS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$115,361,452.00. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.17012464%, which was an increase of 0.0047267904% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$5,923,617 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 139,074,185	\$ 115,361,452	\$ 96,820,379
State of New Jersey's Total Nonemployer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

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

The following presents the total nonemployer OPEB liability as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 93,123,654	\$ 115,361,452	\$ 141,841,726
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of	Deferred Inflows of
Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2021 After June 30, 2020 Measurement Date **	TBD	N/A
	\$ 21,829,570,000	\$ (16,908,204,442)
Fiscal Year Ending June 30,		
2021	\$ 43,440,417	
2022	43,440,417	
2023	43,440,417	
2024	43,440,417	
2025	43,440,417	
Thereafter	4,704,163,473	
	\$ 4,921,365,558	

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Differences Between Expected and Actual Experiences	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,081,045
	\$ 26,080,881,563
Total OPEB Liability (Ending)	
	\$ 14,267,738,657
Total Covered Employee Payroll	183%
Net OPEB Liability as a Percentage of Payroll	0%

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$3,005,828, \$1,196,458, \$1,115,107, and \$1,943, respectively.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 11. Risk Management

The School 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 School 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 Comprehensive Annual Financial Report.

Joint Insurance Pool – The School District also participates in the New Jersey Schools Insurance Group (NJSIG) and public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Excess Liability
Employer Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	Lincoln Investment Planning, Inc.
Valic Investment	Met Life

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported was \$699,423.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the 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.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 15. Tax Abatements (Continued)

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund 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, 2021 was \$3,047,369.

Note 17. Fund Balances

General Fund – Of the \$9,386,044 General Fund fund balance at June 30, 2021, \$995,270 has been restricted for the Capital Reserve Account; \$1,116,702 has been restricted for the Maintenance Reserve Account; \$30,318 has been restricted for the Emergency Reserve Account; \$3,047,369 has been restricted for current year excess surplus; \$2,574,708 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$411,164 has been committed to other purposes; and \$1,210,513 has been unassigned.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$12,428,193 at June 30, 2021. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 19. Deficit Fund Balance

The School District has a deficit fund balance of \$448,236 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$448,236 in the Special Revenue Fund is due to the delayed state aid payments as of June 30, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 29,682,000	\$ -	\$ 29,682,000	\$ 29,682,000	\$ -
Tuition from LEAs	10-1320	-	-	-	334,543	334,543
Tuition from Other Gov't Entities	10-1321	-	-	-	71,737	71,737
Interest	10-1500	30,000	-	30,000	22,145	(7,855)
Interest Earned on Emergency Reserve	10-1XXX	-	-	-	83	83
Interest Earned on Maintenance Reserve	10-1XXX	-	-	-	3,063	3,063
Interest Earned on Capital Reserve	10-1XXX	-	-	-	2,730	2,730
Services Provided Other LEA's	10-1950	213,992	-	213,992	213,992	-
Miscellaneous	10-1990	75,000	-	75,000	105,618	30,618
Total Local Sources		30,000,992	-	30,000,992	30,435,911	434,919
State Sources:						
Categorical Transportation Aid	10-3121	831,890	-	831,890	831,890	-
Categorical Special Education Aid	10-3132	1,515,221	(116,244)	1,398,977	1,398,977	-
Categorical Security Aid	10-3177	425,151	-	425,151	425,151	-
Extraordinary Aid	10-3131	-	-	-	153,367	153,367
Nonpublic Transportation	10-3190	-	-	-	12,760	12,760
Adjustment Aid	10-3178	71,463	-	71,463	71,463	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	4,300,158	4,300,158
On-Behalf TPAF Medical Contribution	10-3901	-	-	-	1,347,602	1,347,602
On-Behalf TPAF Long-Term Disability	10-3902	-	-	-	2,135	2,135
Reimbursed TPAF Social Security	10-3902	-	-	-	1,256,261	1,256,261
Total State Sources		2,843,725	(116,244)	2,727,481	9,799,764	7,072,283
Federal Sources:						
Medicaid Reimbursement	10-4200	70,652	-	70,652	92,744	22,092
Medicaid Administrative Claiming	10-4201	-	-	-	11,985	11,985
FFCRA/SMI	10-4210	-	-	-	8,216	8,216
Total Federal Sources		70,652	-	70,652	112,945	42,293
Total Revenues		32,915,369	(116,244)	32,799,125	40,348,620	7,549,495
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	1,036,753	143,440	1,180,193	1,167,251	12,942
Grades 1 - 5	11-120-100-101	5,625,076	33,532	5,658,608	5,645,118	13,490
Grades 6 - 8	11-130-100-101	1,094,563	1,455	1,096,018	1,065,088	30,930
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	26,800	(8,000)	18,800	6,242	12,558
Purchased Professional -						
Educational Services	11-150-100-320	5,000	(958)	4,042	738	3,304
Regular Programs - Undistributed Instruction:						
Purchased Professional -						
General Supplies	11-190-100-610	690,176	397,138	1,087,314	750,185	337,129
Textbooks	11-190-100-640	341,000	(7,231)	333,769	333,764	5
Other Objects	11-190-100-890	80,000	(79,611)	389	389	-
Total Regular Programs - Instruction		8,899,368	479,765	9,379,133	8,968,775	410,358

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,466,360	408,159	1,874,519	1,861,455	13,064
Other Salaries for Instruction	11-204-100-106	450,749	(82,012)	368,737	330,014	38,723
General Supplies	11-204-100-610	6,300	4,325	10,625	9,970	655
Total Learning and/or Language Disabilities		1,923,409	330,472	2,253,881	2,201,439	52,442
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	110,200	4,100	114,300	113,838	462
Other Salaries for Instruction	11-209-100-106	77,383	(51,470)	25,913	15,639	10,274
General Supplies	11-209-100-610	600	700	1,300	527	773
Other Objects	11-209-100-890	500	(500)	-	-	-
Total Behavioral Disabilities		188,683	(47,170)	141,513	130,004	11,509
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	210,235	21,640	231,875	230,358	1,517
Other Salaries for Instruction	11-212-100-106	74,156	28,110	102,266	99,644	2,622
General Supplies	11-212-100-610	2,000	4,300	6,300	5,110	1,190
Other Objects	11-212-100-890	750	-	750	-	750
Total Multiple Disabilities		287,141	54,050	341,191	335,112	6,079
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	532,470	(76,716)	455,754	452,318	3,436
Other Salaries for Instruction	11-213-100-106	-	6,686	6,686	6,686	-
General Supplies	11-213-100-610	2,400	-	2,400	618	1,782
Total Resource Room		534,870	(70,030)	464,840	459,622	5,218
Autism:						
Salaries of Teachers	11-214-100-101	245,200	73,000	318,200	316,562	1,638
Other Salaries for Instruction	11-214-100-106	165,338	(67,064)	98,274	86,463	11,811
General Supplies	11-214-100-610	1,500	246	1,746	1,337	409
Other Objects	11-214-100-800	1,000	(246)	754	221	533
Total Autism		413,038	5,936	418,974	404,583	14,391
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	105,550	14,825	120,375	91,795	28,580
Other Salaries for Instruction	11-216-100-106	47,419	-	47,419	28,024	19,395
General Supplies	11-216-100-610	600	-	600	-	600
Other Objects	11-216-100-890	500	-	500	-	500
Total Preschool Disabilities - Full-Time		154,069	14,825	168,894	119,819	49,075
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	1,087,510	(320,066)	767,444	708,884	58,560
Total Basic Skills/Remedial		1,087,510	(320,066)	767,444	708,884	58,560

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Bilingual Education - Instruction:						
Salaries	11-240-100-101	80,000	3,000	83,000	82,714	286
Total Bilingual Education - Instruction		80,000	3,000	83,000	82,714	286
Total Special Education		4,668,720	(28,983)	4,639,737	4,442,177	197,560
Other Instructional Programs:						
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	58,636	(47,000)	11,636	5,400	6,236
Supplies & Materials	11-401-100-600	3,975	(3,975)	-	-	-
Total School Sponsored Cocurricular Activities		62,611	(50,975)	11,636	5,400	6,236
Before/After School Programs - Instruction:						
Salaries	11-421-100-100	14,570	-	14,570	-	14,570
Purchased Services	11-421-100-300	4,900	-	4,900	-	4,900
Supplies and Materials	11-421-100-600	500	-	500	-	500
Other Objects	11-421-100-800	8,500	-	8,500	-	8,500
Total Before/After School Programs - Instruction		28,470	-	28,470	-	28,470
Total Other Instructional Programs		91,081	(50,975)	40,106	5,400	34,706
Undistributed Expenditures:						
Instruction:						
Tuition Other LEA's Reg	11-000-100-561	-	12,955	12,955	11,877	1,078
Tuition Other LEA'sSpEd	11-000-100-562	-	40,047	40,047	40,047	-
Tuition Regional Day	11-000-100-565	21,392	28,383	49,775	48,600	1,175
Tuition Private School SpEd	11-000-100-566	236,379	(38,405)	197,974	73,092	124,882
Tuition SpEd Other	11-000-100-569	51,792	1,177	52,969	51,792	1,177
Total Undistributed Expenditures - Instruction		309,563	44,157	353,720	225,408	128,312
Attendance & Social Work Services:						
Salaries	11-000-211-100	61,000	-	61,000	61,000	-
Purchased Professional Services	11-000-211-300	40,346	1,000	41,346	40,720	626
Total Attendance & Social Work Services		101,346	1,000	102,346	101,720	626
Health Services:						
Salaries	11-000-213-100	232,050	(51,739)	180,311	163,575	16,736
Purchased Professional &	11-000-213-300	13,000	46,017	59,017	58,977	40
Supplies and Materials	11-000-213-600	12,600	36	12,636	11,314	1,322
Other Objects	11-000-213-800	600	-	600	-	600
Total Health Services		258,250	(5,686)	252,564	233,866	18,698
Other Support Services - Speech, OT, PT & Related						
Salaries	11-000-216-100	523,205	87,007	610,212	587,977	22,235
Purchased Professional &	11-000-216-320	38,950	52,828	91,778	80,806	10,972
Supplies and Materials	11-000-216-600	5,000	(3,035)	1,965	1,965	-
Other Objects	11-000-216-890	2,100	(1,175)	925	130	795
Total Other Support Services - Students - Related Services:		569,255	135,625	704,880	670,878	34,002

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Extraordinary:						
Salaries	11-000-217-110	499,866	11,896	511,762	511,762	-
Purchased Professional Services	11-000-217-320	118,900	(55,712)	63,188	14,178	49,010
General Supplies	11-000-217-600	8,750	(7,392)	1,358	1,358	-
Total Other Support Services - Students - Extraordinary:		627,516	(51,208)	576,308	527,298	49,010
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	343,255	(1,170)	342,085	280,872	61,213
Total Other Support Services - Students - Regular:		343,255	(1,170)	342,085	280,872	61,213
Other Support Services - Students - Special Services:						
Salaries of Other Professional	11-000-219-104	753,967	81,834	835,801	835,801	-
Salaries of Secretarial & Clerical Ass't	11-000-219-105	150,015	7,353	157,368	157,368	-
Purchased Professional Education Services	11-000-219-320	17,985	(1,466)	16,519	16,519	-
CST Mileage Reimbursement	11-000-219-580	500	-	500	-	500
Supplies & Materials	11-000-219-600	3,500	7,083	10,583	2,713	7,870
Total Other Support Services - Students - Special Services:		925,967	94,804	1,020,771	1,012,401	8,370
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Secretarial & Clerical	11-000-221-105	50,496	10,172	60,668	60,668	-
Purchased Professional Education Services	11-000-221-320	1,400	-	1,400	1,400	-
Supplies and Materials	11-000-221-600	2,000	-	2,000	1,994	6
Other Objects	11-000-221-800	700	1,244	1,944	1,444	500
Total Improvement of Instruction Services/Other Support Services - Instructional Staff:		54,596	11,416	66,012	65,506	506
Educational Media Services/School Library:						
Salaries	11-000-222-10X	321,970	8,500	330,470	265,685	64,785
Purchased Professional/Tech Services	11-000-222-300	4,720	-	4,720	3,628	1,092
Supplies and Materials	11-000-222-600	13,500	-	13,500	8,171	5,329
Total Educational Media Services/School Library		340,190	8,500	348,690	277,484	71,206
Instructional Staff Training Services:						
Purchased Professional - Educational Staff	11-000-223-320	10,573	6,273	16,846	16,846	-
Other Purchased Services	11-000-223-500	29,500	-	29,500	29,496	4
Total Instructional Staff Training Services		40,073	6,273	46,346	46,342	4

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration:						
Salaries	11-000-230-100	338,131	24,933	363,064	363,064	-
Legal Services	11-000-230-331	35,000	-	35,000	31,559	3,441
Audit Fees	11-000-230-332	40,000	29,100	69,100	37,450	31,650
Architect/Engineer	11-000-230-334	-	48,290	48,290	-	48,290
Purchased Technical Services	11-000-230-339	15,000	-	15,000	9,030	5,970
Purchased Technical Services	11-000-230-340	4,800	-	4,800	4,635	165
Communications/Telephone	11-000-230-530	108,300	25,045	133,345	133,149	196
Travel BOE	11-000-230-585	7,075	(6,100)	975	900	75
Other Purch Serv (400-500 Series)	11-000-230-XXX	159,000	(9,124)	149,876	135,494	14,382
General Supplies	11-000-230-610	3,000	(121)	2,879	1,556	1,323
BOE In-House Training/Meeting Supplies	11-000-230-630	2,500	(783)	1,717	880	837
Judgments Against District	11-000-230-820	20,000	(10,449)	9,551	3,205	6,346
Miscellaneous Expenditures	11-000-230-890	3,750	98	3,848	3,848	-
BOE Membership Dues & Fees	11-000-230-895	15,000	-	15,000	13,204	1,796
Total Support Services General Administration		751,556	100,889	852,445	737,974	114,471
Support Services School Administration:						
Salaries of Principals Assistant Principals	11-000-240-103	1,148,100	30,374	1,178,474	1,178,474	-
Salaries of Secretarial & Clerical	11-000-240-105	302,377	(62,782)	239,595	237,749	1,846
Purchased Professional & Tech Services	11-000-240-300	11,000	15,500	26,500	26,259	241
Supplies & Materials	11-000-240-600	11,000	-	11,000	8,345	2,655
Total Support Services School Administration		1,472,477	(16,908)	1,455,569	1,450,827	4,742
Central Services:						
Salaries	11-000-251-100	403,734	5,324	409,058	409,058	-
Purchased Professional Services	11-000-251-330	37,731	1,458	39,189	39,189	-
Miscellaneous Purchased Services	11-000-251-580	2,400	-	2,400	100	2,300
Supplies & Materials	11-000-251-610	9,625	(3,536)	6,089	5,838	251
Miscellaneous Expenditures	11-000-251-890	3,600	-	3,600	2,580	1,020
Total Central Services		457,090	3,246	460,336	456,765	3,571
Administrative Information Technology:						
Salaries	11-000-252-100	243,316	(2,880)	240,436	240,436	-
Purchased Technical Services	11-000-252-340	135,940	90,400	226,340	220,380	5,960
Other Purchased Services	11-000-252-580	6,800	-	6,800	5,960	840
Supplies and Materials	11-000-252-610	36,650	8,530	45,180	39,010	6,170
Other Objects	11-000-252-890	300	-	300	-	300
Total Administrative Information Technology		423,006	96,050	519,056	505,786	13,270
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	325,181	845	326,026	314,552	11,474
Cleaning, Repair & Maintenance	11-000-261-420	243,200	12,710	255,910	216,534	39,376
General Supplies	11-000-261-610	104,089	182,393	286,482	249,390	37,092
Other Objects	11-000-261-800	19,700	(5,077)	14,623	10,749	3,874
Total Allowable Maintenance For School Facilities		692,170	190,871	883,041	791,225	91,816

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	863,595	(28,582)	835,013	793,099	41,914
Cleaning, Repair & Maintenance	11-000-262-420	67,400	(6,700)	60,700	9,210	51,490
Other Purchased Property Services	11-000-262-490	59,000	-	59,000	31,258	27,742
Insurance	11-000-262-520	171,000	3,095	174,095	173,207	888
General Supplies	11-000-262-610	116,100	(8,372)	107,728	84,502	23,226
Energy (Natural Gas)	11-000-262-621	210,000	-	210,000	178,801	31,199
Energy (Electricity)	11-000-262-622	530,000	2,372	532,372	346,436	185,936
Total Operation & Maintenance of Plant Services		2,017,095	(38,187)	1,978,908	1,616,513	362,395
Undistributed Expenditures - Care & Upkeep of Grounds:						
Purchased Professional and Technical Services	11-000-263-300	118,200	44,757	162,957	129,413	33,544
General Supplies	11-000-263-610	30,640	30,042	60,682	53,608	7,074
Total Undistributed Expenditures - Care & Upkeep of Grounds		148,840	74,799	223,639	183,021	40,618
Security:						
Salaries	11-000-266-100	142,266	(20,000)	122,266	110,740	11,526
Other Purchased Services	11-000-266-300	231,990	(37,300)	194,690	137,230	57,460
Security Purchased Services	11-000-266-420	18,400	-	18,400	8,954	9,446
General Supplies	11-000-266-610	15,130	-	15,130	14,677	453
Total Security		407,786	(57,300)	350,486	271,601	78,885
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	179,624	1,000	180,624	154,342	26,282
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	997,473	(39,620)	957,853	883,422	74,431
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	298,803	17,566	316,369	271,706	44,663
Salaries for Pupil Transportation (Other than Between Home & School)	11-000-270-162	10,000	-	10,000	1,523	8,477
Other Purchased Professional & Technical Services	11-000-270-390	20,450	-	20,450	13,697	6,753
Cleaning, Repair & Maintenance Services	11-000-270-420	2,000	-	2,000	345	1,655
Contracted Services - Parent Contract	11-000-270-511	-	16,500	16,500	16,500	-
Contracted Services - Jointure Agreements - (Special Education	11-000-270-515	16,500	(16,500)	-	-	-
Contracted Services - ESC's & CTSA Agreements - (Regular Students)	11-000-270-517	100,000	-	100,000	36,195	63,805
Contracted Services - ESC's & CTSA's - (Special Education Students)	11-000-270-518	117,500	(5,084)	112,416	55,129	57,287
Contracted Services - Aid in Lieu	11-000-270-503	40,000	5,084	45,084	33,897	11,187
Miscellaneous Purchased Services - Transportation	11-000-270-593	110,000	(26,452)	83,548	83,548	-
General Supplies	11-000-270-610	4,150	-	4,150	1,224	2,926
Transportation Supplies	11-000-270-615	231,500	1,661	233,161	177,398	55,763
Miscellaneous Expenditures	11-000-270-800	5,600	-	5,600	5,221	379
Total Student Transportation Services		2,133,600	(45,845)	2,087,755	1,734,147	353,608

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Unallocated Benefits Employee Benefits:						
Group Insurance	11-000-291-210	850	71	921	921	-
Social Security Contributions	11-000-291-220	585,466	(696)	584,770	355,342	229,428
Other Retirement Contributions - PERS	11-000-291-241	725,000	-	725,000	675,160	49,840
Other Retirement Contributions - Regular	11-000-291-249	24,880	696	25,576	24,323	1,253
Unemployment Compensation	11-000-291-250	105,459	-	105,459	71,990	33,469
Workman's Compensation	11-000-291-260	304,411	46,653	351,064	351,063	1
Health Benefits	11-000-291-270	6,717,039	(133,554)	6,583,485	5,527,827	1,055,658
Tuition Reimbursement	11-000-291-280	38,500	-	38,500	17,349	21,151
Other Employee Benefits/Sick/Retiree pay	11-000-291-29X	676,948	(571,137)	105,811	90,948	14,863
Total Unallocated Benefits - Employee Benefits		9,178,553	(657,967)	8,520,586	7,114,923	1,405,663
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	4,300,158	(4,300,158)
On-Behalf TPAF Medical Contributions		-	-	-	1,347,602	(1,347,602)
On-Behalf TPAF Long-Term Disability		-	-	-	2,135	(2,135)
Reimbursed TPAF Social Security		-	-	-	1,256,261	(1,256,261)
Total Undistributed Expenditures		21,252,184	(106,641)	21,145,543	25,210,713	(4,065,170)
Total Expenditures - Current Expense		34,911,353	293,166	35,204,519	38,627,065	(3,422,546)
Capital Outlay:						
Equipment:						
Undistributed Expenditures:						
Technology Equipment	12-000-252-730	115,000	-	115,000	104,590	10,410
Building Equipment	12-000-261-732	-	21,875	21,875	21,875	-
Custodial Equipment	12-000-262-732	13,510	-	13,510	8,638	4,872
Grounds Equipment	12-000-263-732	-	34,524	34,524	34,524	-
Security Equipment	12-000-266-732	92,000	-	92,000	92,000	-
School Buses - Regular	12-000-270-733	195,500	-	195,500	195,492	8
Total Equipment		416,010	56,399	472,409	457,119	15,290
Facilities Acquisition & Construction Services:						
Other Objects	12-000-400-800	118,421	-	118,421	118,421	-
Total Facilities Acquisition & Construction Services		118,421	-	118,421	118,421	-
Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	94,426	(94,426)
Total Assets Acquired Under Capital Leases (Nonbudgeted)		-	-	-	94,426	(94,426)
Total Capital Outlay		534,431	56,399	590,830	669,966	(79,136)
Total Expenditures		35,445,784	349,565	35,795,349	39,297,031	(3,501,682)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,530,415)	(465,809)	(2,996,224)	1,051,589	4,047,813
Other Financing Sources/(Uses):						
Capital Leases (Non-Budgeted)		-	-	-	94,426	94,426
Local Contribution-Transfer to Special Revenue Regular		(75,000)	-	(75,000)	(75,000)	-
Total Other Financing Sources/(Uses)		(75,000)	-	(75,000)	19,426	94,426

**BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues & Other Financing Sources					
Over/(Under) Expenditures & Other Financing Uses	(2,605,415)	(465,809)	(3,071,224)	1,071,015	4,142,239
Fund Balances, July 1	8,565,501	-	8,565,501	8,565,501	-
Fund Balances, June 30	<u>\$ 5,960,086</u>	<u>\$ (465,809)</u>	<u>\$ 5,494,277</u>	<u>\$ 9,636,516</u>	<u>\$ 4,142,239</u>

RECAPITULATION OF BUDGET TRANSFERS

Prior-Year Roll Over Encumbrances	<u>\$ 465,809</u>
	<u><u>\$ 465,809</u></u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 995,270
Maintenance Reserve	1,116,702
Emergency Reserve	30,318
Excess Surplus	3,047,369
Excess Surplus Designated for Subsequent Year's Expenditures	2,574,708
Committed Fund Balance:	
Year-end Encumbrances	411,164
Unassigned Fund Balance	<u>1,460,985</u>
Subtotal	9,636,516
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(250,472)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 9,386,044</u></u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

REVENUES	JUNE 30, 2021			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Local Sources	-	91,914	91,914	61,793	(30,121)
State Sources	5,026,377	3,019	5,029,396	4,987,493	(41,903)
Federal Sources	926,843	370,376	1,297,219	1,235,440	(61,779)
Total Revenues	5,953,220	465,309	6,418,529	6,284,726	(133,803)
EXPENDITURES:					
Instruction:					
Salaries of Teachers/Aides	2,775,758	(49,769)	2,725,989	2,723,740	2,249
Purchased Services	39,500	53,651	93,151	39,008	54,143
Other Purchased Services	22,945	(5,945)	17,000	17,000	-
Tuition	472,368	(104,576)	367,792	367,792	-
Travel	-	-	-	-	-
General Supplies	243,997	705,742	949,739	901,797	47,942
Miscellaneous	-	500	500	500	-
Total Instruction	3,554,568	599,603	4,154,171	4,049,837	104,334
Support Services:					
Salaries	928,199	(249,315)	678,884	678,446	438
Personal Services - Employee Benefits	972,544	(15,947)	956,597	948,981	7,616
Purchased Professional Services(300,400,500 Series)	-	106,068	106,068	98,239	7,829
Other Purchased Services	436,100	93,900	530,000	525,404	4,596
Travel	500	-	500	-	500
Equipment	100,000	(90,000)	10,000	10,000	-
Supplies & Materials,Equipment	36,309	21,000	57,309	48,819	8,490
Total Support Services	2,473,652	(134,294)	2,339,358	2,309,889	29,469
Total Expenditures	6,028,220	465,309	6,493,529	6,359,726	133,803
Total Outflows	6,028,220	465,309	6,493,529	6,359,726	133,803
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(75,000)	-	(75,000)	(75,000)	-
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	75,000	-	75,000	75,000	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 40,348,620	\$ 6,284,726
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	246,511	287,461
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(250,472)	(448,236)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	38,107
Current Year	-	<u>(427,474)</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 40,344,659</u>	<u>\$ 5,734,584</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,297,031	\$ 6,359,726
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	38,107
Current Year	-	<u>(427,474)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 39,297,031</u>	<u>\$ 5,970,359</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0623227087%	0.0594342314%	0.0594557900%	0.0560021381%	0.0588000223%	0.0579620293%	0.0551214156%	0.0560664683%
School District's proportionate share of the net pension liability	\$ 10,163,204.00	\$ 10,709,147.00	\$ 11,706,548.00	\$ 13,036,403.00	\$ 17,414,880.00	\$ 13,011,314.00	\$ 10,320,237.00	\$ 10,142,056.00
School District's covered payroll	\$ 4,578,030.00	\$ 4,480,849.00	\$ 4,075,482.00	\$ 4,068,059.00	\$ 3,986,054.00	\$ 4,345,256.00	\$ 3,938,548.00	\$ 3,698,454.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	222.00%	239.00%	287.24%	320.46%	436.90%	299.44%	262.03%	274.22%
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 681,779.00	\$ 578,120.00	\$ 591,393.00	\$ 518,800.00	\$ 522,371.00	\$ 498,318.00	\$ 454,413.00	\$ 399,845.00
Contributions in relation to the contractually required contribution	(681,779.00)	(578,120.00)	(591,393.00)	(518,800.00)	(522,371.00)	(498,318.00)	(454,413.00)	(399,845.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,358,069.36	\$ 4,578,030.00	\$ 4,480,849.00	\$ 4,075,482.00	\$ 4,068,059.00	\$ 3,986,054.00	\$ 4,345,256.00	\$ 3,938,548.00
Contributions as a percentage of covered payroll	15.64%	12.63%	13.20%	12.73%	12.84%	12.50%	10.46%	10.15%

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

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

	2021	2020	2019	2018	2017	2016	2016	2015
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 88,650,697	\$ 79,995,402	\$ 82,462,769	\$ 86,966,031	\$ 101,993,739	\$ 79,576,224	\$ 67,681,768	\$ 65,378,394
School District's covered payroll	\$ 17,953,707	\$ 16,895,866	\$ 15,802,767	\$ 13,952,303	\$ 13,343,453	\$ 13,175,202	\$ 12,750,769	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.62%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS
(GASB 75)**

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EXHIBIT M-1

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 2,827,925	\$ 2,828,137	\$ 3,119,528	\$ 3,754,981
Interest Cost	2,480,855	3,032,045	3,202,466	2,764,944
Difference between Expected and Actual Experiences	21,908,573	(12,351,853)	(6,339,691)	-
Changes of Assumptions	21,072,573	1,029,079	(8,783,057)	(11,485,657)
Contributions: Member	60,873	62,803	70,733	74,469
Gross Benefit Payments	(2,008,348)	(2,118,678)	(2,046,585)	(2,022,379)
Net Change in Total OPEB Liability	46,342,451	(7,518,467)	(10,776,606)	(6,913,642)
Total OPEB Liability (Beginning)	69,019,001	76,537,468	87,314,074	94,227,716
Total OPEB Liability (Ending)	\$ 115,361,452	\$ 69,019,001	\$ 76,537,468	\$ 87,314,074
Disctrict's Covered Employee Payroll***	\$ 23,149,470	\$ 21,994,448	\$ 20,495,982	\$ 20,173,587
Net OPEB Liability as a Percentage of Payroll	498%	314%	348%	433%

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ESSA			PRESCHOOL EDUCATION AID	IDEA-B BASIC	IDEA-B PRESCHOOL
	TITLE I	TITLE II-A	TITLE IV			
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	4,987,493	-	-
Federal Sources	398,712	52,093	24,046	-	537,332	26,246
Total Revenues	\$ 398,712	\$ 52,093	\$ 24,046	\$ 4,987,493	\$ 537,332	\$ 26,246
Expenditures:						
Instruction:						
Salaries of Teachers/Aides	\$ 230,415	\$ -	\$ 1,498	\$ 2,381,037	\$ 57,058	\$ -
General Supplies	88,189	-	22,548	532,380	80,000	10,246
Purchased Services	-	35,093	-	3,915	-	-
Other Purchased Services	-	17,000	-	-	-	-
Tuition	-	-	-	-	351,792	16,000
Miscellaneous	500	-	-	-	-	-
Total Instruction	319,104	52,093	24,046	2,917,332	488,850	26,246
Support Services:						
Other Professional Staff Salaries	-	-	-	672,808	-	-
Purchased Professional Services	-	-	-	98,239	-	-
Other Purchased Services	-	-	-	476,922	48,482	-
Employee Benefits	79,608	-	-	869,373	-	-
Supplies	-	-	-	27,819	-	-
Playground Equipment	-	-	-	-	-	-
Total Support Services	79,608	-	-	2,145,161	48,482	-
Total Expenditures	398,712	52,093	24,046	5,062,493	537,332	26,246
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(75,000)	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	75,000	-	-
Total Transfer from Operating Budget - PreK	-	-	-	75,000	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	CORONA CARES	PROJECT RELIEF FUNDS	STARFISH	AASA SOURCEWELL	2021
Revenues:					
Local Sources	\$ -	\$ -	\$ 59,293	\$ 2,500	\$ 61,793
State Sources	-	-	-	-	4,987,493
Federal Sources	53,170	143,841	-	-	1,235,440
Total Revenues	\$ 53,170	\$ 143,841	\$ 59,293	\$ 2,500	6,284,726
Expenditures:					
Instruction:					
Salaries of Teachers/Aides	\$ 6,062	\$ -	47,670	\$ -	\$ 2,723,740
General Supplies	16,108	143,841	5,985	2,500	901,797
Purchased Services	-	-	-	-	39,008
Other Purchased Services	-	-	-	-	17,000
Tuition	-	-	-	-	367,792
Miscellaneous	-	-	-	-	500
Total Instruction	22,170	143,841	53,655	2,500	4,049,837
Support Services:					
Other Staff Salaries	-	-	5,638	-	678,446
Purchased Prof Services	-	-	-	-	98,239
Other Purchased Prof Services	-	-	-	-	525,404
Employee Benefits	-	-	-	-	948,981
Supplies	21,000	-	-	-	48,819
Playground Equipment	10,000	-	-	-	10,000
Total Support Services	31,000	-	5,638	-	2,309,889
Total Expenditures	53,170	143,841	59,293	2,500	6,359,726
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	(75,000)
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	-	-	-	-	75,000
Total Transfer from Operating Budget - PreK	-	-	-	-	75,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers/Aides	\$ 2,381,120	\$ 2,381,037	\$ 83
General Supplies	534,147	532,380	1,767
Purchased Services	4,500	3,915	585
	<hr/>	<hr/>	<hr/>
Total Instruction	2,919,767	2,917,332	2,435
	<hr/>	<hr/>	<hr/>
Support Services:			
Other Professional Staff Salaries	673,245	672,808	437
Purchased Professional Services	120,663	98,239	22,424
Other Purchased Professional Services	476,922	476,922	-
Employee Benefits	876,989	869,373	7,616
Supplies	36,309	27,819	8,490
Travel	500	-	500
	<hr/>	<hr/>	<hr/>
Total Support Services	2,184,628	2,145,161	39,467
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 5,104,395	\$ 5,062,493	\$ 41,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2020-2021 Preschool Education Aid Allocation	\$ 4,901,377
Add: Actual Preschool Aid Carryover (June 30, 2020)	128,018
Add: Budget Transfer from General Fund - 2020-2021	75,000
	<hr/>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	5,104,395
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(5,104,395)
	<hr/>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	-
Add: June 30, 2021 Unexpended Preschool Education Aid Funds	41,902
	<hr/>
2020-2021 Carryover - Preschool Education Aid Funds	\$ 41,902
	<hr/> <hr/>
2020-2021 Preschool Education Aid Funds Carryover Budgeted in 2021-2022	\$ -
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F. Capital Projects Fund

Not Applicable

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Enterprise Funds

See B-4, B-5, B-6

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2020	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2021
			DATE	AMOUNT				
2010 Refunding Issue	3/25/2010	\$ 16,760,000	10/1/2021	1,835,000	5.000%	\$ 5,520,000	\$ 1,745,000	\$ 3,775,000
			10/1/2022	1,940,000	5.000%			
Total						<u>\$ 5,520,000</u>	<u>\$ 1,745,000</u>	<u>\$ 3,775,000</u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2020	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2021
1- Savin Copiers	5.28%	15,089	\$ 8,636	\$ -	\$ 3,601	\$ 5,035
5- Savin Copiers	3.51%	98,798	19,594	-	19,594	-
6 - Savin Copiers	5.00%	87,881	80,046		16,268	63,778
5- Savin Copiers	4.00%	94,426	-	94,426	3,641	90,785
		Total	\$ 108,276	\$ 94,426	\$ 43,104	\$ 159,598

**BERKELEY TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,973,013	\$ -	\$ 1,973,013	\$ 1,973,013	-
Total Revenues	1,973,013	-	1,973,013	1,973,013	-
Expenditures:					
Regular Debt Service:					
Interest on Bonds	228,013	-	228,013	228,013	-
Principal on Bonds	1,745,000	-	1,745,000	1,745,000	-
Total Regular Debt Service	1,973,013	-	1,973,013	1,973,013	-
Total Expenditures	1,973,013	-	1,973,013	1,973,013	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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Financial Trend Information

Financial trend information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial trends.

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BERKELEY TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Governmental Activities:										
Net Investment in Capital Assets	\$ 15,846,487	\$ 15,404,540	\$ 15,178,552	\$ 14,657,329	\$ 18,484,466	\$ 18,869,406	\$ 17,953,242	\$ 17,810,211	\$ 17,410,609	\$ 14,323,623
Restricted	7,764,367	7,374,959	7,304,789	6,852,109	6,967,786	6,573,286	7,139,245	6,624,847	5,901,687	5,477,992
Unrestricted	(12,428,193)	(13,197,110)	(13,112,492)	(12,376,376)	(12,153,084)	(12,010,544)	(11,636,605)	(1,022,895)	(642,477)	2,013,070
Total Governmental Activities	\$ 11,182,661	\$ 9,582,389	\$ 9,370,849	\$ 9,133,062	\$ 13,299,168	\$ 13,432,148	\$ 13,455,882	\$ 23,412,163	\$ 22,669,819	\$ 21,814,685
Business-Type Activities:										
Net Investment in Capital Assets	\$ 59,903	\$ 69,842	\$ 85,921	\$ 105,183	\$ 83,711	\$ 117,704	\$ 160,303	\$ 169,905	\$ 91,716	\$ 96,235
Unrestricted	10,461	207,491	131,082	91,312	40,281	(40,151)	(71,959)	(78,560)	(23,329)	537
Total Business-Type Activities	\$ 70,364	\$ 277,333	\$ 217,003	\$ 196,495	\$ 123,992	\$ 77,553	\$ 88,344	\$ 91,345	\$ 68,387	\$ 96,772
Government-Wide:										
Net Investment in Capital Assets	\$ 15,906,390	\$ 15,474,382	\$ 15,264,473	\$ 14,762,512	\$ 18,568,177	\$ 18,987,110	\$ 18,113,545	\$ 17,980,116	\$ 17,502,325	\$ 14,419,858
Restricted	7,764,367	7,374,959	7,304,789	6,852,109	6,967,786	6,573,286	7,139,245	6,624,847	5,901,687	5,477,992
Unrestricted	(12,417,732)	(12,989,619)	(12,981,410)	(12,285,064)	(12,112,803)	(12,050,695)	(11,708,564)	(1,101,455)	(665,806)	2,013,607
Total Government-Wide Net Position	\$ 11,253,025	\$ 9,859,722	\$ 9,587,852	\$ 9,329,557	\$ 13,423,160	\$ 13,509,701	\$ 13,544,226	\$ 23,503,508	\$ 22,738,206	\$ 21,911,457

Source: District CAFR, Schedule A-1
 *For the year ended June 30, 2021 net position was reclassification due to GASB 84.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 8,897,654	\$ 8,550,953	\$ 8,544,563	\$ 8,284,309	\$ 7,742,541	\$ 7,671,751	\$ 7,332,300	\$ 7,445,934	\$ 7,126,529	\$ 7,797,326
Special Education	7,311,049	6,767,312	5,859,929	4,631,151	4,442,157	4,291,228	4,054,069	3,814,426	3,742,079	3,515,551
Other Special Education	791,598	1,175,644	1,067,948	1,084,592	1,062,339	970,198	1,056,857	989,410	-	1,022,455
Other Instruction	5,400	80,771	112,642	106,345	75,834	74,360	53,330	40,517	24,162	29,135
Support Services:										
Tuition	225,408	176,510	73,624	29,739	181,534	121,422	189,425	381,845	385,128	391,112
Student & Instruction Related										
Services	5,526,256	5,251,044	4,620,760	3,456,046	3,317,290	3,317,290	2,874,147	2,924,800	2,833,481	2,730,859
School Administrative Services	1,450,827	1,420,066	1,277,462	1,191,350	1,179,237	1,398,015	1,470,546	1,137,381	1,174,579	1,081,050
General & Business Administrative										
Services	1,700,525	1,540,315	1,472,181	1,553,661	1,584,360	1,418,970	1,350,321	1,370,664	1,301,547	1,226,445
Plant Operations & Maintenance	3,162,016	3,015,320	3,430,770	3,004,056	2,887,030	2,974,784	3,281,659	3,502,263	3,799,014	3,011,237
Pupil Transportation	1,734,147	1,898,150	1,866,097	1,803,581	1,675,610	1,698,304	1,629,219	1,567,695	1,532,676	1,535,919
Unallocated Benefits	19,591,043	15,238,650	17,169,444	20,190,826	12,191,771	11,841,433	12,095,470	8,345,637	9,007,262	7,392,103
Interest on Long-Term Debt	283,656	300,652	373,784	450,531	622,925	508,044	547,701	592,303	643,042	664,815
Unallocated Depreciation	1,560,940	1,612,316	1,608,160	1,643,193	1,441,251	1,474,656	1,498,916	1,316,968	1,382,197	1,338,337
Total Governmental Activities	52,240,519	47,027,703	47,477,364	47,429,380	38,403,879	37,760,455	37,433,960	33,429,843	32,951,696	31,736,344
Expenses:										
Business-Type Activities:										
Food Service	1,154,543	896,342	830,909	797,322	783,795	814,122	795,084	829,318	762,263	750,556
Batting Cages	-	-	3,914	3,999	4,758	4,590	7,191	1,502	-	-
Tech Expo	-	1,281	2,459	2,547	1,564	3,330	1,689	-	-	-
Bridge Program	-	-	-	4,967	11,232	8,770	5,922	3,900	-	-
Total Business-Type Activities	1,154,543	897,623	837,282	808,835	801,349	830,812	809,886	834,720	762,263	750,556
Expense										
Total Government-Wide Expenses	\$ 53,395,062	\$ 47,925,326	\$ 48,314,646	\$ 48,238,215	\$ 39,205,228	\$ 38,591,267	\$ 38,243,846	\$ 34,264,563	\$ 33,713,959	\$ 32,486,900

**BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Program Revenues:										
Governmental Activities:										
Grants & Contributions	\$ 18,429,275	\$ 13,023,734	\$ 13,151,552	\$ 13,992,777	\$ 6,386,648	\$ 5,806,844	\$ 6,427,408	\$ 3,089,390	\$ 832,852	\$ 813,634
Total Governmental Activities	18,429,275	13,023,734	13,151,552	13,992,777	6,386,648	5,806,844	6,427,408	3,089,390	832,852	813,634
Business-Type Activities:										
Charges for Services:										
Grants & Contributions	945,221	445,340	496,395	498,850	493,818	445,446	399,345	485,635	377,003	363,369
Food Service	2,171	231,185	337,069	325,506	338,273	355,136	373,533	366,073	356,662	362,642
Batting Cages	-	-	2,085	1,075	3,004	1,370	6,200	1,530	-	-
Tech Expo	-	1,850	2,300	3,050	2,000	3,150	3,500	-	-	-
Bridge Program	-	-	-	3,720	10,470	11,510	6,230	3,900	-	-
Total Business Type Activities	947,392	678,375	837,849	832,201	847,565	816,612	788,808	857,138	733,665	726,011
Program Revenues	19,376,667	13,702,109	13,989,401	14,824,978	7,234,213	6,623,456	7,216,216	3,946,528	1,566,517	1,539,645
Total Government-Wide Program Revenues	\$ 19,376,667	\$ 13,702,109	\$ 13,989,401	\$ 14,824,978	\$ 7,234,213	\$ 6,623,456	\$ 7,216,216	\$ 3,946,528	\$ 1,566,517	\$ 1,539,645
Net (Expense)/Revenue:										
Governmental Activities	\$ (33,811,244)	\$ (34,003,969)	\$ (34,325,812)	\$ (33,436,603)	\$ (32,017,231)	\$ (31,703,680)	\$ (31,006,552)	\$ (32,665,993)	\$ (32,118,844)	\$ (31,001,938)
Business-Type Activities	(207,151)	(219,248)	567	23,366	46,216	(14,200)	(21,078)	22,418	(28,598)	(24,545)
Total Government-Wide Net Expense	\$ (34,018,395)	\$ (34,223,217)	\$ (34,325,245)	\$ (33,413,237)	\$ (31,971,015)	\$ (31,717,880)	\$ (31,027,630)	\$ (32,643,575)	\$ (32,147,442)	\$ (31,026,483)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 29,682,000	\$ 29,100,000	\$ 28,933,865	\$ 28,025,975	\$ 28,025,975	\$ 26,708,133	\$ 26,342,923	\$ 26,342,922	\$ 26,456,346	\$ 26,462,541
Taxes Levied for Debt Service	1,973,013	1,964,625	1,952,412	1,945,225	1,930,900	1,924,600	1,909,437	1,898,675	1,890,425	1,885,473
Unrestricted Grants & Contributions	3,002,592	2,801,389	2,709,567	2,580,215	1,168,635	2,487,816	2,430,648	4,753,511	5,098,756	4,491,449
Restricted State Aid	-	-	120,000	-	-	-	-	-	-	-
Tuition Received	406,280	187,753	279,442	449,866	131,003	205,149	147,841	-	-	-
Miscellaneous Income	347,631	411,742	577,964	378,616	378,616	354,248	361,478	514,165	571,385	479,993
Cancellation of CIDL	-	-	-	249,122	-	-	-	-	-	-
Transfer from Other Funds	-	(250,000)	(9,651)	501,561	-	-	-	-	-	-
Total Governmental Activities	35,411,516	34,215,509	34,563,599	33,874,191	31,884,251	31,679,946	31,192,327	33,509,273	34,016,912	33,319,456

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities:										
Contract Budget Guarantee	-	25,000	-	-	-	3,308	17,838	-	-	-
Investment Earnings	182	7,950	10,290	9,335	223	101	239	540	213	354
Adjustment to Fixed Assets	-	(3,372)	-	39,802	-	-	-	-	-	-
Transfer from Other Funds	-	250,000	9,651	-	-	-	-	-	-	-
Total Business-Type Activities	182	279,578	19,941	49,137	223	3,409	18,077	540	213	354
Total Government-Wide	\$ 35,411,698	\$ 34,495,087	\$ 34,235,450	\$ 34,612,736	\$ 33,874,414	\$ 31,887,660	\$ 31,698,023	\$ 31,192,867	\$ 33,509,486	\$ 34,017,266
Change in Net Position:										
Governmental Activities	\$ 1,600,272	\$ 211,540	\$ 237,787	\$ 437,588	\$ (132,980)	\$ (23,734)	\$ 185,775	\$ 843,280	\$ 1,898,068	\$ 2,317,518
Business-Type Activities	(206,969)	60,330	20,508	72,503	46,439	(10,791)	(3,001)	22,958	(28,385)	(24,191)
Total Government-Wide	\$ 1,393,303	\$ 271,870	\$ 258,295	\$ 510,091	\$ (86,541)	\$ (34,525)	\$ 182,774	\$ 866,238	\$ 1,869,683	\$ 2,293,327

Source: District CAFR, Schedule A-2

BERKELEY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 7,764,367	\$ 7,374,959	\$ 7,304,789	\$ 6,852,109	\$ 6,967,786	\$ 5,798,042	\$ 5,963,248	\$ 5,657,157	\$ 4,917,510	\$ 4,220,761
Committed	411,164	465,809	272,848	548,973	286,659	768,094	1,175,997	967,690	984,177	972,679
Assigned	-	16,579	-	-	7,150	7,150	-	-	-	284,552
Unreserved	1,210,513	461,643	478,603	454,659	436,143	488,318	441,020	454,778	493,830	552,428
Total General Fund	\$ 9,386,044	\$ 8,318,990	\$ 8,056,240	\$ 7,855,741	\$ 7,697,738	\$ 7,061,604	\$ 7,580,265	\$ 7,079,625	\$ 6,395,517	\$ 6,030,420
All Other Governmental Funds:										
Special Revenue Fund	\$ (448,236)	\$ (287,461)	\$ (174,090)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ (448,236)	\$ (287,461)	\$ (174,090)	\$ -						

Source: District CAFR, Schedule B-1
 *For the year ended June 30, 2021 fund balance was reclassification due to GASB 84.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FOR FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Tax Levy	\$ 31,655,013	\$ 31,064,625	\$ 30,886,277	\$ 29,971,200	\$ 29,956,875	\$ 28,632,733	\$ 28,252,360	\$ 28,241,597	\$ 28,346,771	\$ 28,348,014
Tuition Charges	406,280	187,753	279,442	449,866	131,003	205,149	147,841	168,419	-	-
Interest	28,021	42,541	42,938	28,058	10,715	10,790	10,790	27,505	22,674	20,386
Miscellaneous	381,403	505,345	443,096	387,139	388,003	343,533	350,688	486,660	548,711	459,607
State Sources	14,195,890	12,007,263	9,587,270	6,724,521	6,062,956	5,642,444	5,078,438	4,691,526	5,066,885	4,385,634
Federal Sources	1,385,649	1,289,538	1,729,260	1,694,273	1,460,568	1,416,178	818,382	825,835	864,723	919,449
Total Revenue	48,052,256	45,097,065	42,968,283	39,255,057	38,021,777	36,250,752	34,658,499	34,441,542	34,849,764	34,133,090
Expenditures:										
Instruction:										
Regular Instruction	8,968,775	8,550,953	8,544,563	8,284,309	7,742,541	7,671,751	7,332,300	7,445,934	7,126,529	7,797,326
Special Education	7,311,049	6,767,312	5,859,929	4,631,151	4,442,157	4,291,228	4,054,069	3,814,426	3,742,079	3,515,551
Instruction	791,598	1,175,644	1,067,948	1,084,592	1,062,339	970,198	1,056,857	989,410	1,042,934	1,022,455
Other Special Instruction	5,400	80,771	112,642	106,345	75,834	74,360	53,330	40,517	24,162	29,135
Support Services:										
Student & Instruction	5,751,664	5,427,554	4,694,384	3,485,785	3,498,824	3,225,769	3,016,809	3,344,773	3,188,827	3,176,730
Related Services	1,450,827	1,420,066	1,277,462	1,191,350	1,179,237	1,398,015	1,470,546	1,137,381	1,174,579	1,081,050
School Administrative	1,700,525	1,540,315	1,472,181	1,553,661	1,584,360	1,418,970	1,350,321	1,370,664	1,301,547	1,226,445
General & Business	2,862,360	2,696,740	2,996,757	2,993,578	2,887,030	2,875,250	2,958,646	3,496,792	2,982,312	3,192,649
Plant Operations & Maintenance	1,734,147	1,898,150	1,866,097	1,803,581	1,675,610	1,698,304	1,629,219	1,567,695	1,532,676	1,535,919
Pupil Transportation	14,021,079	12,663,878	12,284,760	11,545,730	10,702,011	10,127,602	8,979,813	8,404,046	8,770,162	7,438,511
Unallocated Benefits	551,545	481,138	884,157	368,415	585,177	1,093,366	711,723	612,332	1,708,435	946,518
Capital Outlay	1,745,000	1,660,000	1,575,000	1,976,300	1,415,000	1,360,000	1,300,000	1,240,000	1,195,000	1,155,000
Debt Service:	346,434	423,046	495,833	588,907	634,321	564,600	609,437	658,675	695,425	730,473
Principal										
Interest & Other Charges										
Total Expenditures	47,240,403	44,785,567	43,131,713	39,613,704	37,484,441	36,769,413	34,523,070	34,122,645	34,484,667	32,847,762
Excess (Deficiency) of Revenues Over/(Under) Expenditures	811,853	311,498	(163,430)	(358,647)	537,336	(518,661)	135,429	318,897	365,097	1,285,328

**BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FOR FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Financing Sources/(Uses):										
Community Disaster Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,211	\$ 365,211	\$ -	\$ -
Capital Lease Proceeds	94,426	87,881	200,529	15,089	98,798	-	-	-	-	-
Transfers In/Out	-	(250,000)	(10,690)	501,561	-	-	-	-	-	-
Total Other Financing Sources/ (Uses)	94,426	(162,119)	189,839	516,650	98,798	-	365,211	365,211	-	-
Net Change in Fund Balances	\$ 906,279	\$ 149,379	\$ 501,337	\$ 353,220	\$ (259,849)	\$ 537,336	\$ (153,450)	\$ 500,640	\$ 3,18,897	\$ 365,097
Debt Service as a Percentage of Noncapital Expenditures	4.5%	4.7%	4.7%	4.9%	6.5%	5.6%	5.4%	5.6%	5.7%	5.8%

Source: District CAFR, Schedule B-2

BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	INTERLOCAL SERVICES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2021	\$ 28,021	\$ 406,280	\$ 213,992		\$ 105,619	\$ 753,912
2020	42,541	187,753	225,552	-	143,649	599,495
2019	42,938	279,442	208,719	-	126,816	657,915
2018	28,058	449,866	198,071	-	145,220	821,215
2017	22,372	131,003	199,706	-	156,538	509,619
2016	10,715	205,149	181,240	-	120,430	517,534
2015	10,790	147,841	177,880	-	131,946	468,457
2014	27,505	169,192	263,996	169,085	52,805	682,583
2013	22,674	117,766	254,000	127,718	11,441	533,599
2012	20,386	-	303,797	-	148,899	473,082

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	COMMUNICATION EQUIPMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2021	\$ 119,659,200	\$ 4,734,246,000	\$ -	\$ 10,400	\$ 281,332,300	\$ 16,968,500	\$ 65,549,800	\$ 5,677,362	\$ 5,223,443,562	\$ 1,317,137,300	\$ 3,906,306,262	0.606
2020	126,574,300	4,684,455,500	286,600	15,600	279,661,000	16,853,300	63,128,800	4,677,720	5,175,652,820	1,310,862,800	3,864,790,020	0.600
2019	135,728,900	4,637,597,300	905,300	16,200	280,660,700	16,853,300	60,521,100	3,910,890	5,136,193,690	1,306,073,600	3,830,120,090	0.601
2018	134,323,200	4,616,600,166	688,600	23,900	280,585,300	16,424,100	55,205,700	3,863,682	5,107,714,648	1,293,195,830	3,814,518,818	0.587
2017	139,576,200	4,610,354,810	688,600	23,900	285,904,700	23,692,500	55,205,700	3,989,190	5,119,435,600	1,281,759,500	3,837,676,100	0.586
2016	143,719,200	4,580,869,960	688,600	23,300	290,027,400	24,462,500	57,997,000	4,246,138	5,102,034,098	1,278,099,500	3,823,934,598	0.561
2015	149,897,200	4,565,575,860	688,600	23,300	291,170,700	24,462,500	57,997,000	4,196,262	5,094,011,422	1,274,856,100	3,819,155,322	0.555
2014	127,151,900	4,586,354,860	688,600	23,300	294,670,400	24,462,500	58,553,100	5,768,219	5,097,672,879	1,274,373,100	3,823,299,779	0.554
2013	123,862,500	4,586,855,260	688,600	23,300	318,920,400	24,764,900	58,647,000	6,571,500	5,120,333,460	1,272,461,000	3,847,872,460	0.553
2012	132,153,900	4,599,782,500	688,600	23,300	324,561,400	24,742,200	58,796,400	6,397,133	5,147,145,433	1,270,623,100	3,876,522,333	0.550

Source: Abstract of Ratables "Assessed Value by Classification"

BERKELEY TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL	REGIONAL	TOWNSHIP OF		COUNTY	OPEN		
	SCHOOL	SCHOOL	BERKELEY	OCEAN COUNTY	COUNTY	SPACE		
2021	0.606	0.475	1.081	0.696	0.397	0.042	0.013	2.229
2020	0.600	0.466	1.066	0.656	0.372	0.041	0.013	2.148
2019	0.601	0.466	1.067	0.656	0.384	0.040	0.013	2.160
2018	0.587	0.436	1.023	0.628	0.378	0.039	0.012	2.080
2017	0.586	0.436	1.022	0.628	0.369	0.038	0.012	2.069
2016	0.561	0.425	0.986	0.610	0.366	0.038	0.012	2.012
2015	0.555	0.383	0.938	0.610	0.357	0.038	0.012	1.955
2014	0.554	0.382	0.936	0.567	0.353	0.039	0.012	1.907
2013	0.553	0.384	0.937	0.532	0.341	0.038	0.014	1.862
2012	0.550	0.367	0.917	0.508	0.336	0.038	0.014	1.813

Source: Abstract of Ratables, Breakdown of General Tax Rate

**BERKELEY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO**

FOR YEAR ENDED DECEMBER 31, 2020			
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET VALUATION TAXABLE
Plainfield Properties, LLC	\$28,289,800	1	0.54%
Hovchild Partnership LLC	18,899,900	2	0.36%
Quaker Malls	17,721,200	3	0.34%
Baville Commons	15,000,000	4	0.29%
Berkeley Healthcare Assoc	11,500,000	5	0.22%
River Bay Gardens	10,321,200	6	0.20%
Holiday Propco LLC	10,000,000	7	0.19%
Arlington Beach Co	9,794,900	8	0.19%
Millers Camp Inc	8,779,000	9	0.17%
Bay Housing Assoc	8,160,000	10	0.16%
Total	<u>\$138,466,000</u>		<u>2.65%</u>

FOR YEAR ENDED DECEMBER 31, 2010			
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET VALUATION TAXABLE
Hovchild Partnership LLC	\$14,397,600	1	0.61%
Midway East, Inc. & Citta at Midway	8,059,300	2	0.34%
Verizon	7,921,687	3	0.33%
Baywick Plaza	6,660,400	4	0.28%
NJ Pulverizing Co	6,142,200	5	0.26%
Quaker Mills	5,530,900	6	0.23%
Bayville Housing	4,817,500	7	0.20%
Beachwood Mall	4,329,700	8	0.18%
US Homes	3,765,900	9	0.16%
K Hovanian	2,827,000	10	0.12%
Total	<u>\$64,452,187</u>		<u>2.71%</u>

Source: Municipal Tax Assessor and Treasurer

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

YEAR ENDED December 31,	TAXES LEVIED FOR THE YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2021	\$ 116,400,745	115,574,300	99.29%	\$ 1,139,000
2020	112,114,152	110,746,359	98.78%	1,425,000
2019	110,908,284	109,100,479	98.37%	1,500,000
2018	106,207,411	104,922,301	98.79%	2,102,000
2017	105,897,564	103,292,484	97.54%	2,425,000
2016	102,605,892	100,030,484	97.49%	3,075,000
2015	99,570,329	96,214,809	96.63%	2,886,180
2014	97,194,773	94,123,418	96.84%	3,218,000
2013	95,308,308	91,638,938	96.15%	2,434,000
2012	93,298,408	90,359,508	96.85%	2,434,000
2011	94,204,501	91,378,366	97.00%	1,646,000

Source: Municipal Tax Collector, Abstract of Ratables "Receipts from Delinquent Taxes"

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the school District's outstanding debt and its debt capacity.

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**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>			PER CAPITA PERSONAL INCOME	% OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES *	TOTAL DISTRICT		
2021	\$ 3,775,000	\$ 159,598	\$ 3,934,598	N/A	N/A
2020	5,520,000	108,276	5,628,276	N/A	N/A
2019	7,180,000	66,702	7,246,702	53,139	0.73%
2018	8,755,000	113,621	8,868,621	51,353	0.57%
2017	10,250,000	141,815	10,391,815	50,184	0.48%
2016	11,665,000	84,133	11,749,133	48,116	0.41%
2015	13,025,000	121,121	13,146,121	46,849	0.36%
2014	14,325,000	74,358	14,399,358	44,808	0.31%
2013	15,565,000	112,486	15,677,486	43,171	0.28%
2012	16,760,000	82,705	16,842,705	42,807	0.25%

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

* Exhibit I-1, I-2, I-3; CAFR

BERKELEY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2021	\$ 3,775,000	N/A		\$ 3,775,000	N/A	N/A
2020	5,520,000	N/A		5,520,000	N/A	N/A
2019	7,180,000	N/A		7,180,000	N/A	N/A
2018	8,755,000	N/A		8,755,000	N/A	N/A
2017	10,250,000	N/A		10,250,000	N/A	50,184
2016	11,665,000	N/A		11,665,000	N/A	48,116
2015	13,025,000	N/A		13,025,000	N/A	46,849
2014	14,325,000	N/A		14,325,000	N/A	44,808
2013	15,565,000	N/A		15,565,000	N/A	43,171
2012	16,760,000	N/A		16,760,000	N/A	42,807

Sources: District records, Per Capita Personal income - NJ Dept of Labor

BERKELEY TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021

GOVERNMENTAL UNIT	ESTIMATED PERCENTAGE APPLICABLE	DEBT OUTSTANDING
Overlapping Debts:		
Berkeley Township		\$ 49,613,076
Berkeley Township Sewerage Authority (12/31/2018)		5,621,350
Berkeley Township Municipal Utilities Authority (12/31/2019)		6,019,700
Central Regional School District		176,454
Ocean County Utilities Authority		6,054,522
County of Ocean		26,680,273
Subtotal, Overlapping Debt		94,165,375
Berkeley Township Board of Education Direct Debt		3,775,000
Total Direct & Overlapping Debt		\$ 97,940,375

Sources: Township of Berkeley, Annual Debt Statement as of December 31, 2020
Debt outstanding data provided by each governmental unit.

NOTE - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.
This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Berkeley Township. 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 government unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

* Berkeley Sewerage Authority 12/31/20 Audit is not complete
Used amount from Dec. 31, 2018 Audit

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 143,653,922	\$ 139,770,397	\$ 135,664,768	\$ 131,997,175	\$ 129,246,721	\$ 127,774,393	\$ 128,834,143	\$ 132,936,829	\$ 139,483,856	\$ 147,207,363
Total Net Debt Applicable to L	3,775,000	5,520,000	7,180,000	8,755,000	10,250,000	11,665,000	13,025,000	14,325,000	15,565,000	16,760,000
Legal Debt Margin	\$ 139,878,922	\$ 134,250,397	\$ 128,484,768	\$ 123,242,175	\$ 118,996,721	\$ 116,109,393	\$ 115,809,143	\$ 118,611,829	\$ 123,918,856	\$ 130,447,363
Total Net Debt Applicable to the Limit as a % of Debt Lir	2.63%	3.95%	5.29%	6.63%	7.93%	9.13%	10.11%	10.78%	11.16%	11.39%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis	
2018	\$ 5,581,601,740
2019	5,775,044,784
2020	5,881,824,146
	<u>\$ 17,238,470,670</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,746,156,890</u>
Debt Limit (2.5 % of Average Equalized Valuation of Taxable Property)	\$ 143,653,922
Net Bonded School Debt	<u>3,775,000</u>
Legal Debt Margin	<u>\$ 139,878,922</u>

Source: Equalized valuation bases were obtained from the Annual Debt Statement, Township of Berkeley

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Demographic and Economic Information

Demographic and economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2021	N/A	N/A	12.2%
2020	42,362	N/A	4.7%
2019	42,059	53,139	4.9%
2018	41,762	51,353	5.6%
2017	41,573	50,184	6.3%
2016	41,601	48,116	6.7%
2015	41,609	46,849	7.6%
2014	41,526	44,808	9.0%
2013	41,428	43,171	12.9%
2012	41,233	42,807	15.6%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Per Capita Personal income - NJ Dept of Labor
- c Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

	2020		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
DATA NOT AVAILABLE			
Total	0		0.00%
Total Labor Force	0		

Source: Ocean County Department of Economic Development and Tourism;
The Township of Berkeley
Total Labor Force from NJ DOL and Workforce Development

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Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular, teachers/aides	180	172	172.8	117.5	110	109	109	109	107	109
Special Education, teachers/aides	110	103	103	105	104	100	97	91	87	80
Support Services:										
Student & Instruction Related Services	36	39	37	35.8	40.8	42.8	44.8	42.8	46	50
General Administration	3.8	3.8	3.8	5.8	5.8	5.8	5.8	5.8	4.8	3
School Administration	21	20	20	17	17	17	17	17	16	17
Business Administrative Services	5.5	5.5	5.5	5.5	5.5	5.5	6	6	6	6
Technical Administrative Services	4	4	4	4	4	4	3	3	3	2
Food Services	8	8	8	8	8	10	10	10	10	11
Plant Operations/Maint, Lunchrm aides	33.6	33.7	33.7	33.5	33.5	32.9	33.5	31.6	32.5	26.5
Pupil Transportation	40	40	40	39.5	39.5	40	39.5	34.5	33.5	44
Total	442	429	428	372	368	367	366	351	346	349

Source: District Personnel Records

**BERKELEY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	PUPIL COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	ATTENDANCE PERCENTAGE
2021	2,363	\$ 36,772,473	15,562	10.37%	240	9.8	2,388	2,264.0	5.76%	95.8%
2020	2,474	34,881,213	14,099	-5.64%	230	10.8	2,477	2,371.0	14.31%	95.8%
2019	2,309	34,499,567	14,941	-1.72%	235	9.8	2,258	2,129.6	4.20%	94.3%
2018	2,152	32,715,137	15,202	2.48%	205	10.5	2,167	2,054.7	2.60%	94.8%
2017	2,132	31,625,634	14,834	1.19%	203	10.5	2,112	1,995.7	-0.66%	94.5%
2016	2,079	30,475,661	14,659	4.93%	180	11.6	2,126	2,015.9	1.09%	94.8%
2015	2,091	29,211,782	13,970	0.72%	178	11.7	2,103	1,984.8	-0.43%	94.4%
2014	2,110	29,266,711	13,870	0.36%	178	11.9	2,112	2,004.0	2.67%	94.9%
2013	2,039	28,180,062	13,821	-0.28%	176	11.6	2,057	1,941.7	1.73%	94.9%
2012	2,012	27,885,851	13,860	-4.24%	179	11.2	2,022	1,918.2	-0.69%	94.6%

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay.(Sch B-2)less nonbudgeted expenditures
- 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).

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

DISTRICT BUILDINGS	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Bayville Elementary (Org. 1926 Add: 1951,1959,1969,2003):										
Square Feet	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	499	516	455	402	399	391	411	415	450	374
Berkeley Twp. Elementary (2003):										
Square Feet	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	574	619	668	649	619	592	593	571	543	522
Clara B. Worth Elementary (Org. 1962 Add: 1984&2003):										
Square Feet	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258
Capacity (Students)	845	845	845	845	845	845	845	845	845	845
Enrollment	663	674	586	557	556	546	545	623	600	605
H&M Potter Elementary (Org. 1974 Add: 1984&2003):										
Square Feet	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424	88,424
Capacity (Students)	725	725	725	725	725	725	725	725	725	725
Enrollment	627	665	600	544	558	550	542	501	462	520

Number of Schools at June 30, 2021:
Elementary = 4

Source: District Facilities Office

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

	BAYVILLE ELEMENTARY	CLARA B. WORTH	H&M POTTER	BERKELEY TOWNSHIP ELEMENTARY	OTHER	TOTAL
2021	\$ 163,803	\$ 181,415	\$ 229,576	\$ 197,414	\$ 19,017	\$ 791,225
2020	174,312	193,055	210,080	244,307	20,238	841,992
2019	163,466	181,042	197,008	229,105	18,978	789,599
2018	148,029	163,946	178,404	207,470	17,187	715,036
2017	133,941	148,343	161,425	187,725	15,551	812,425
2016	168,191	186,276	202,703	235,728	19,527	751,711
2015	155,622	172,355	187,555	218,111	18,068	1,201,664
2014	248,773	275,522	299,820	348,667	28,882	900,881
2013	186,504	206,558	224,773	261,393	21,653	1,210,868
2012	249,993	276,874	304,601	350,377	29,023	942,665

Source: District records, M-1, sch C-1 Actual total 11-000-261-XXX

**INSURANCE SCHEDULE
JUNE 30, 2021**

	LIMITS	DEDUCTIBLE
Property:		
Real and Personal Property	\$ 86,377,124	\$ 5,000
Flood- Aggrgate Zones A & V	25,000,000	500,000
Flood - All Other Zones	75,000,000	10,000
Earthquake	50,000,000	
Environmental Package	1,000,000	50,000
Inland Marine:		
EDP Hardware/Software	1,500,000	1,000
Boiler & Machinery:	1,000,000,000	
Crime:		
Money/Securities	25,000	
Board Secretary Bond	25,000	500
Board Treasurer Bond	250,000	1,000
Comprehensive General Liability:		
Bodily Injury/Property damage-Each Occurance	31,000,000	10,000
Sexual Abuse Aggregate	17,000,000	
Personal Advertising & Injury	31,000,000	
Employee Benefits Liability	31,000,000	1,000
Auto:		
Combined Single Limit	31,000,000	
Uninsured/Underinsured Motorist - Private Passenger	1,000,000	10,000
Uninsured/Underinsured Motorist - All other vehicle type	15,000	5,000
PIP	250,000	
Workers Comp	-	
Errors & Omissions		
Each Policy Period - Coverage A	31,000,000	10,000
Each Claim - Coverage B	100,000	10,000

SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
February 9, 2022

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Berkeley Township School District’s compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2021. The Berkeley Township School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Berkeley Township School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the School District’s compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Berkeley Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Berkeley Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
February 9, 2022

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CETA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASSED-THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO RECIPIENT	UNEARNED REVENUE AT JUNE 30, 2021	(ACCOUNTS RECEIVABLE JUNE 30, 2021)	DUE TO GRANTOR JUNE 30, 2021
				\$		\$	\$	\$	\$	\$	\$	\$
U.S. DEPARTMENT OF AGRICULTURE Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: Noncash Assistance: Food Distribution Program (Noncash Assistance) Subtotal	10.555	211N1304N1099		30,879	7/1/20-6/30/21	-	30,879	(30,879)	-	-	-	-
National School Lunch Program	10.555	211N1304N1099	100-010-3350-026	496,015	7/1/20-6/30/21	-	431,747	(496,015)	-	-	(64,268)	-
COVID-19 National School Lunch Program	10.555	211N1304N1099	100-010-3350-026	28,284	7/1/20-6/30/21	-	28,284	(28,284)	-	-	-	-
National School Lunch Program HHFKA	10.555	201N1304N1099	100-010-3350-026	15,410	7/1/19-6/30/20	(6,936)	6,936	-	-	-	-	-
COVID-19 National School Lunch Program HHFKA	10.555	211N1304N1099	100-010-3350-026	9,892	7/1/20-6/30/21	-	8,610	(9,892)	-	-	(1,282)	-
COVID-19 National School Lunch Program HHFKA	10.555	201N1304N1099	100-010-3350-026	564	7/1/20-6/30/21	-	564	(564)	-	-	-	-
Emergency Operation Cost Program-Schools	10.555	202121H170341	Unavailable	316	7/1/19-6/30/20	(142)	142	-	-	-	(49,173)	-
				491,173	7/1/20-6/30/21	(7,078)	476,283	(583,928)	-	-	(114,723)	-
National School Breakfast Program	10.553	211N1304N1099	100-010-3350-028	290,211	7/1/20-6/30/21	-	256,401	(290,211)	-	-	(33,810)	-
COVID-19 National School Breakfast Program	10.553	211N1304N1099	100-010-3350-028	15,562	7/1/20-6/30/21	-	15,562	(15,562)	-	-	-	-
COVID-19 National School Breakfast Program	10.553	201N1304N1099	100-010-3350-028	9,942	7/1/19-6/30/20	(4,475)	4,475	-	-	-	-	-
				9,942	7/1/19-6/30/20	(4,475)	276,438	(305,773)	-	-	(33,810)	-
Total Child Nutrition Cluster				783,600		(11,553)	783,600	(920,580)	-	-	(148,533)	-
Total U.S. Department of Agriculture				783,600		(11,553)	783,600	(920,580)	-	-	(148,533)	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through New Jersey Department of Human Services: Medicaid Cluster: Medical Assistance Program (SEM) Medicaid Administrative Claiming Total Medicaid Cluster	93.778 93.778	2105N1MAP N/A	100-054-7500-211 100-054-7500	92,744 20,201	7/1/20-6/30/21 7/1/20-6/30/21	-	92,744 20,201	(92,744) (20,201)	-	-	-	-
Total U.S. Department of Health and Human Services				112,945		-	112,945	(112,945)	-	-	-	-
U.S. DEPARTMENT OF EDUCATION Passed Through New Jersey Department of Education: Every Student Succeeds Act (ESEA) Title I - Part A Title I - Part A	84.010 84.010	S010A210030 S010A200030	100-034-5064-194 100-034-5064-194	398,712 379,591	7/1/20-9/30/21 7/1/19-9/30/20	(25,927)	310,671 25,927	(398,712) (398,712)	-	-	(88,041)	-
Title II - Part A Title II - Part A	84.367 84.367	S367A210029 S367A200029	100-034-5063-290 100-034-5063-290	61,195 68,170	7/1/20-9/30/21 7/1/19-9/30/20	(750)	45,843 750	(52,093) (52,093)	-	-	(6,250)	-
Title IV	84.424	S424A210031	100-034-5063-348	25,426	7/1/20-9/30/21	(750)	46,593	(52,093)	-	-	(6,250)	-
I.D.E.A. Part B (Special Education Cluster) Basic Basic	84.027 84.027	H027A210100 H027A200100	100-034-5065-016 100-034-5065-016	537,332 555,727	7/1/20-9/30/21 7/1/19-9/30/20	(103,707)	340,569 103,707	(537,332) (537,332)	-	-	(196,765)	-
Preschool Preschool	84.173 84.173	H173A210114 H173A200114	100-034-5065-020 100-034-5065-020	26,246 34,141	7/1/20-9/30/21 7/1/19-9/30/20	(19,947)	23,976 19,947	(26,246) (26,246)	-	-	(2,270)	-
Total Special Education Cluster				488,199		(123,654)	488,199	(563,578)	-	-	(199,033)	-
Corona Relief Funds	21.019			145,657	3/16/20-9/30/22	-	145,657	(143,841)	-	1,816	-	-
Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	S425D200027	N/A	276,818	3/16/20-9/30/22	(189,290) (189,290)	240,113 240,113	(53,170) (53,170)	-	-	(2,347) (2,347)	-
Total U.S. Department of Education				1,274,975		(339,621)	1,274,975	(1,235,440)	-	1,816	(301,902)	-
Total Federal Financial Assistance				2,171,520		(351,174)	2,171,520	(2,268,965)	-	1,816	(450,435)	-

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENT	UNEARNED REVENUE AT JUNE 30, 2021	(ACCOUNTS RECEIVABLE) JUNE 30, 2021	DUE TO GRANTOR JUNE 30, 2021	MEMO ONLY		
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:														
General Fund:														
State Aid Public:														
Special Education Categorical Aid	495-034-5120-089	\$ 1,398,977	7/1/20-6/30/21	\$ -	\$ -	\$ 1,398,977	\$ (1,398,977)	\$ -	\$ -	\$ -	\$ -	\$ 128,475	\$ 1,398,977	
Security Aid	495-034-5120-084	425,151	7/1/20-6/30/21	-	-	425,151	(425,151)	-	-	-	-	39,044	425,151	
Adjustment Aid	495-034-5120-085	71,463	7/1/20-6/30/21	-	-	71,463	(71,463)	-	-	-	-	6,563	71,463	
Total State Aid Public													1,895,591	1,895,591
Transportation Aid	495-034-5120-014	831,890	7/1/20-6/30/21	-	-	831,890	(831,890)	-	-	-	-	76,396	831,890	
Extraordinary Aid	495-034-5120-044	153,367	7/1/20-6/30/21	-	-	5,420	(153,367)	-	-	(147,947)	-	-	153,367	
Additional Nonpublic Transportation Aid	495-034-5120-044	54,111	7/1/20-6/30/21	(54,111)	-	-	-	-	-	-	-	-	-	
Additional Nonpublic Transportation Aid	495-034-5120-014	12,760	7/1/20-6/30/21	-	-	-	(12,760)	-	-	(12,760)	-	-	12,760	
Reimbursed TPAF Social Security Contributions	100-034-5094-003	1,256,261	7/1/20-6/30/21	-	-	1,194,442	(1,256,261)	-	-	(61,819)	-	-	1,256,261	
Reimbursed TPAF Social Security Contributions	100-034-5094-003	1,196,458	7/1/20-6/30/21	(59,668)	-	59,668	-	-	-	-	-	-	-	
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	1,347,602	7/1/20-6/30/21	-	-	1,347,602	(1,347,602)	-	-	-	-	-	1,347,602	
TPAF - Pension	495-034-5094-002	4,300,158	7/1/20-6/30/21	-	-	4,300,158	(4,300,158)	-	-	-	-	-	4,300,158	
TPAF - Long-Term Liability Insurance (Noncash Assistance)	495-034-5094-004	2,135	7/1/20-6/30/21	-	-	2,135	(2,135)	-	-	-	-	-	2,135	
Total General Fund													(123,059)	9,799,764
Special Revenue Fund:														
Preschool Education Aid	495-034-5120-086	4,901,377	7/1/20-6/30/21	-	128,019	4,411,239	(4,987,493)	-	-	(448,235)	-	490,137	4,987,493	
Preschool Education Aid	495-034-5120-086	4,154,800	7/1/20-6/30/21	(287,461)	(128,019)	415,480	-	-	-	-	-	-	-	
Total Special Revenue Fund													(287,461)	(4,987,493)
New Jersey Department of Agriculture														
Enterprise Fund:														
National School Lunch Program	100-010-3350-023	24,641	7/1/20-6/30/21	-	-	19,972	(24,641)	-	-	(4,669)	-	-	24,641	
National School Lunch Program	100-010-3350-023	9,142	7/1/20-6/30/21	(2,416)	-	2,416	-	-	-	-	-	-	-	
Total Enterprise Fund													(2,416)	(24,641)
Total State Financial Assistance													\$ (412,930)	\$ 14,549,404
State Financial Assistance Programs not subject to Calculation for Major Program Determination:														
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	\$ 1,347,602	7/1/20-6/30/21	-	-	\$ -	\$ 1,347,602	-	-	-	-	-	\$ 1,347,602	
TPAF - Pension	495-034-5094-002	4,300,158	7/1/20-6/30/21	-	-	-	4,300,158	-	-	-	-	-	4,300,158	
TPAF - Long-Term Liability Insurance (Noncash Assistance)	495-034-5094-004	2,135	7/1/20-6/30/21	-	-	-	2,135	-	-	-	-	-	2,135	
Total State Financial Assistance subject to Calculation for Major Program Determination													\$ (9,162,003)	

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

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021 (Continued)

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,961) for the general fund and (\$550,142) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 112,945	\$ 9,795,803	\$ 9,908,748
Special Revenue Fund	1,272,704	4,400,087	5,672,791
Food Service Fund	920,580	24,641	945,221
Total Awards & Financial Assistance	<u>\$ 2,306,229</u>	<u>\$ 14,220,531</u>	<u>\$ 16,526,760</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Berkeley Township School District had no loan balances outstanding at June 30, 2021.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>Child Nutrition Cluster</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>Nation School Breakfast Program</u>
<u>10.555</u>	<u>202121H170341</u>	<u>Food Distribution Program</u>
		<u>Emergency Operation Cost</u>
		<u>Program - Schools</u>

Dollar threshold used to determine Type A programs	\$	<u>750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u> </u>	<u>State Aid Public</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>
<u> </u>	<u> </u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings

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

None.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

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

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.