

**BEDMINSTER TOWNSHIP
SCHOOL DISTRICT**

**Bedminster Township School District
Bedminster, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

**Annual Comprehensive
Financial Report**

of the

**Bedminster Township School District
Board of Education**

Bedminster, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Bedminster Township School District
Board of Education**

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION

BEDMINSTER TOWNSHIP PUBLIC SCHOOL DISTRICT

234 Somerville Road
Bedminster, NJ 07921
Telephone (908) 234-0768 Fax (908) 234-2318
www.bedminsterschool.org

Eulalia Gillis
Interim Business Administrator

Jennifer Giordano
Superintendent

Corby Swan
Principal

Laura Zugale
Supervisor of Student Services

Dr. Elizabeth Omega
Principal

October 25, 2022

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

Dear Board Members:

The annual comprehensive financial report of the Bedminster Township School District (the "District") for the fiscal year ended June 30, 2022, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial statements, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. 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* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Bedminster Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards board ("GASB") in codification section 2100. All funds of the District are included in this report. The Bedminster Township School District and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8 and through a send-receive tuition relationship with Somerset Hills School District for grades 9 through 12. Services include regular as well as special education for handicapped students, charter school tuition, sending tuition, aid-in-lieu transportation and special education out of district placement. The District completed the 2021-2022 fiscal year with an enrollment of 490 pupils Pre-K through 8, a decrease from the previous year's enrollment of six (6) students.

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Bedminster, with approximately 8,042 residents (as of 2020 census) and 26.49 square miles, is one of Somerset County's oldest municipalities, chartered in 1749. The Township has been successful in maintaining the character and charm of its picturesque village neighborhoods, surrounded by open space and natural beauty. Its excellent public schools, low taxes, safe streets, and preserved open space and parks along with the public school are a great source of community pride.

Bedminster has country roads dotted with horse farms, colonial and Victorian farmhouses and other historical buildings for all to see and enjoy. Many paved and unpaved lanes are enjoyed by bicyclists, horseback riders, hikers, and dogs. Bedminster takes great pride in its efforts at preserving open space and farmland for future generations. With aggressive planning and 10-acre zoning in the western section of the township, the rural character will be retained. Over 1,000 acres have already been saved from development with more to follow. The Township is also home to horse farms with numerous trails wandering through the open fields. Many equestrian trails cross through the open spaces in town, which is also home of the United States Equestrian Team (USET) representing our country at The Olympic Games and other major competitions both nationally and internationally.

3) MAJOR INITIATIVES: In addition to ensuring that each child has his/her educational needs met, the district plans to protect, enhance and expand the opportunities offered for future pupils. Progress is charted in the areas described below:

Monitoring

New Jersey Quality Single Accountability Continuum (QSAC) is the Department of Education's monitoring and evaluation system. Its primary purpose is to measure and improve school district performance in meeting State standards in the areas of Governance, Curriculum, Personnel, Finance, and Facilities. The school district was monitored by the State Department of Education during the 2021-2022 school year which included site visits, extensive interviews, and review of all district state and federal reporting. The district was notified that it is designated as "high performing" in each of the five weighted areas of the QSAC review process.

Facilities

In July 2021 the district began the replacement of the roof, with a \$1.9 million project, this project was done with the use of Capital Reserve funds and has been completed. Planning has begun for the next budget year to continue upgrading and maintaining our facilities in accordance with our Comprehensive Maintenance Plan (CMP) and Long Range Facilities Plan (LRFP) which plans and budgets the major infrastructure repairs/enhancements to the district owned assets. Together the ongoing funding and support of the CMP and the LRFP ensure that the value of the largest jointly owned asset in the community is preserved. We are currently in the process of replacing all carpeted areas with tile.

Student Achievement

The Board supports a curriculum that is comprehensive and challenging. Students enjoy provided offerings such as English Language Arts, Mathematics, Algebra, inquiry based Science, and Social Studies. Our curricula are aligned with the approved standards and our District continues to update this curriculum in accordance with these standards.

Student Achievement

Pupils with additional needs and abilities have access to services including academic support improvement, enrichment, English as a Second Language, guidance, special education programming, child study team services, occupational therapy, physical therapy, speech therapy, and adaptive physical education. To round out their preparation, pupils are offered visual and performing arts, applied technology and technology, world languages, library media services, health and physical education, STE(A)M, and other opportunities for financial literacy and college and career preparedness.

Staffing

The Bedminster School district is experiencing an issue with staffing. Certificated staff and substitute teachers have been hard to come by in NJ public schools. We anticipate this problem to continue in the future. We revised our Master Schedule and may need to adjust our staff overtime.

District Goals

Each year the Bedminster Township School Board of Education meets to discuss the progress of goals at the annual Board Retreat. Goals are then adjusted accordingly for the upcoming school year. Student achievement and social-emotional well-being remain the priority at Bedminster Township School.

The District has made major strides in our special education program by extending our inclusive model across the span of grades. In addition, we have an extended day Pre-K program to meet pupils' needs in-district. These priorities have been embraced in our annual school improvement goals and are reflected in ongoing professional staff development. Our website is www.bedminsterschool.org.

Staff Development

Our faculty members are committed to the constant improvement of their instructional skills and the acquisition of new strategies that are supported by a professional development plan. All members of our teaching staff are involved in activities organized and supported by our PDC (Professional Development Committee) and SCIP (School Improvement Panel). Teachers benefit from opportunities for graduate study at colleges and universities, professional development seminars, and in-district workshops to support their needs and desire to grow professionally. Each school year, all of our teachers participate in at least twenty (20) hours of professional development via in-district workshops, academic coursework, professional learning communities (PLCs), staff meetings that incorporate professional development and workshop facilitation by turn-key trainers and out of district trainings supported by the BOE.

Technology

The District continues to implement the strategies for meeting the goals set forth in the technology plan. The current technology plan has been completed for 2020-2022. The technology education curriculum for Kindergarten through grade eight emphasizes the infusion of technology into all areas of the school curricula. To improve communications with students and parents, we provide a web-based portal that enables parents and pupils to log on and view up-to-date attendance, grading and assignment information for each of their children. The system also has a web-based teacher grade book, which allows teachers to maintain grades and assignments electronically. The district is currently 1:1 K-8 with student devices. We used ESSER III funds to upgrade our network throughout the building to provide better connectivity to all users.

Sustainability

The Bedminster School District is committed to improving our sustainability and reducing our carbon footprint throughout the building. We anticipate a continued focus on this by upgrading our retention basin and creating outdoor educational spaces for our students to learn about our environment. Our work has already begun with the addition of a fence enclosed school garden and outdoor seating /learning space for students

Community Outreach/Safety and Security

The Board encourages community input to assist with the planning and decision making about student and staff safety and security and educational programming. Stakeholders are represented working with Bedminster Township on shared services, grant opportunities, the Bedminster Technology Committee, School Safety and Climate Committee, Wellness Committee, the Bedminster PBA, Somerset Hills Municipal Alliance Committee, the Governor's Educator of the Year selection committee, School Improvement Panel (SciP), Environmental Committee, Read Across America, and the Parent Teacher Organization. The District also partners with the Bedminster non-public schools to offer educational opportunities for both public and non-public pupils. The District's commitment and emphasis on the importance of community volunteerism is demonstrated by the forty (40) hours of community service required by the end of eighth grade. The District continues to promote current fundraising opportunities with community stakeholders to fund student activities.

(4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to federal and state awards. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments, and assignments of fund balance at June 30, 2022.

- 6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
- 7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which 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.
- 8) RISK MANAGEMENT: The Board carries various forms of commercial insurance, including, but not limited to, general liability, hazard and theft insurance on property and contents and fidelity bonds.
- 9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
- 10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bedminster Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report was accomplished with the efficient and dedicated services of our Board Office staff.

Respectfully submitted,

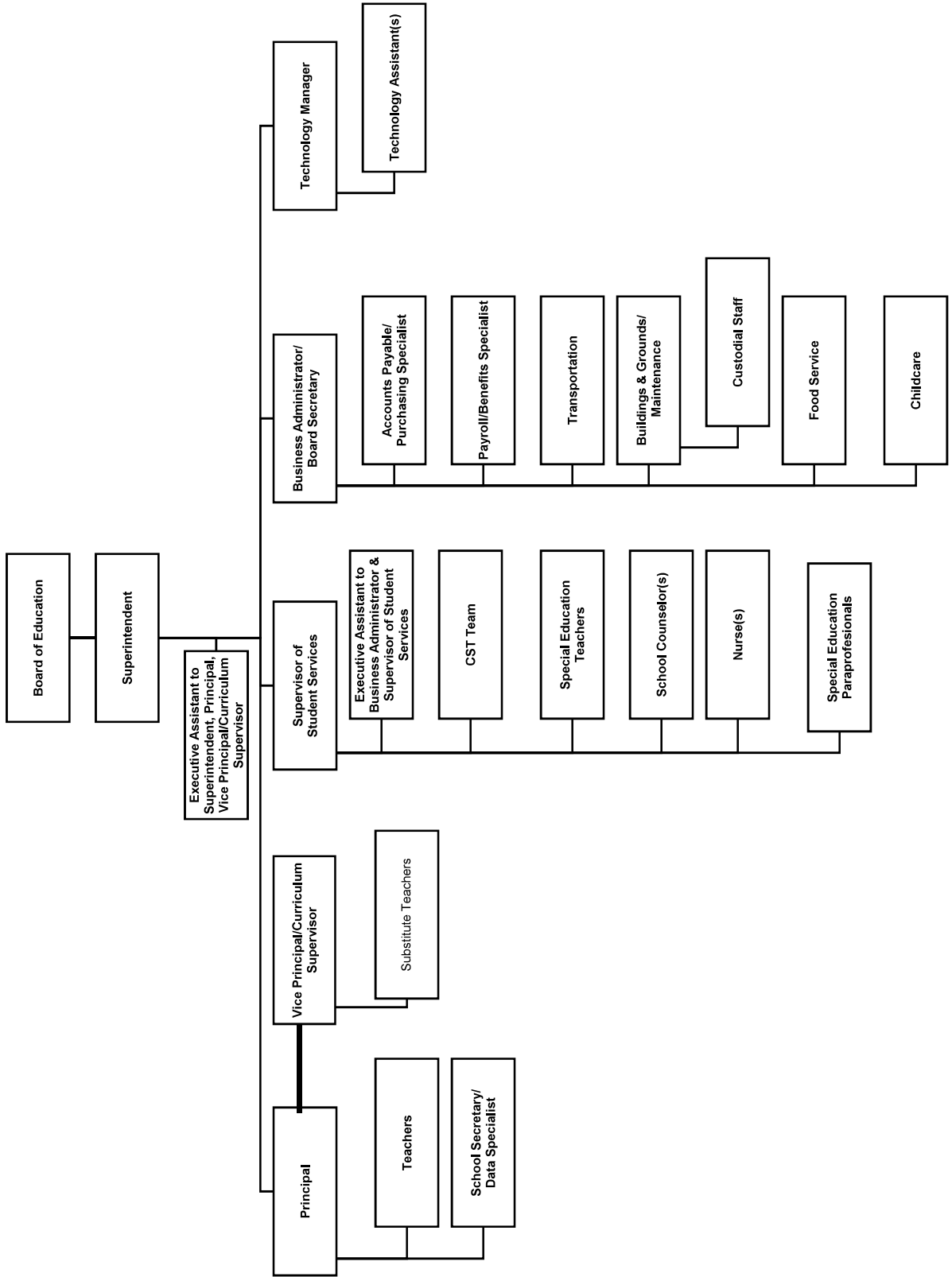


Eulalia Gillis
Interim Business Administrator/
Board Secretary



Jennifer Giordano
Superintendent

Bedminster Township School District



**BEDMINSTER TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Suzie Stevinson, President	2022
Stephen Calulo, Vice-President	2023
Jeffrey Reaves	2024
Thomas Casey	2022
Giovanna Lamiera	2023
Sarah Nathans	2022
Howard Wolkow	2023
Christy Biedron	2024
Gabriel Wickizer	2024

<u>Other Officials</u>	<u>Title</u>
Jennifer Giordano	Superintendent
Eulalia Gillis	Interim School Business Administrator/Board Secretary
Alicia M. Schauer	Treasurer
Nicholas Celso, III, Esq.	Board Attorney

Bedminster Township School District
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

And

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

And

1140 Route 22 East, Suite 203
Bridgewater, NJ 08807

Board Attorney

Busch Law Group, LLC
450 Main Street
Metuchen, NJ 08840

Special Education Attorney

Scarinci Hollenbeck, LLC
1100 Valley Brook Avenue
P.O. Box 790
Lyndhurst, NJ 07071

Architect of Record

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, NJ 07866

Official Depository

Peapack-Gladstone Bank
Far Hills Branch
Dumont Road
Far Hills, NJ 07931

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Bedminster School District (the "District"), in the County of Somerset, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

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

Matter Giving Rise to Qualified Opinion

The District's note disclosure on postemployment benefits other than pensions (OPEB) (Note 18) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the "Division"), as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

October 25, 2022
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

This section of Bedminster Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

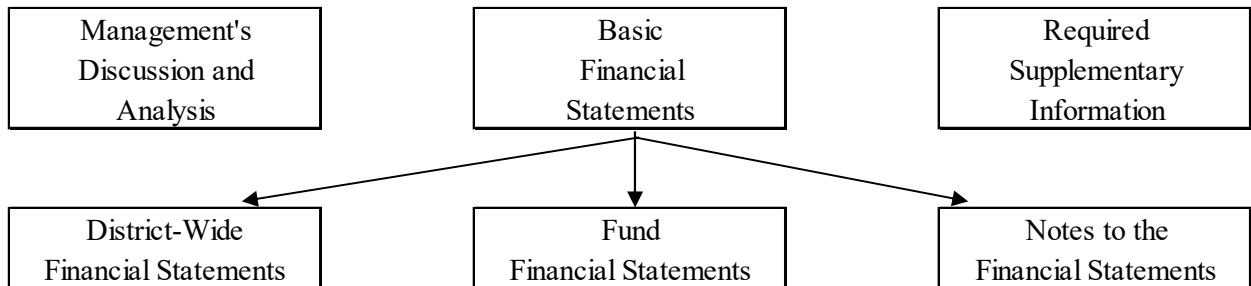
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District’s Financial Report



**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

District-wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$13,880,770 on June 30, 2022, which was \$1,453,087, or 11.69% greater than the prior year (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	Change 2021/2022
Current and							
Other Assets	\$ 8,282,025	\$ 8,167,096	\$ 155,112	\$ 77,011	\$ 8,437,137	\$ 8,244,107	
Capital Assets, Net	9,257,763	7,443,683	19,357	22,680	9,277,120	7,466,363	
Total Assets	<u>17,539,788</u>	<u>15,610,779</u>	<u>174,469</u>	<u>99,691</u>	<u>17,714,257</u>	<u>15,710,470</u>	12.75%
Deferred Outflows of Resources	<u>287,328</u>	<u>404,902</u>			<u>287,328</u>	<u>404,902</u>	-29.04%
Other Liabilities	1,294,849	315,140	22,118	23,683	1,316,967	338,823	
Long-Term Liabilities	<u>1,792,421</u>	<u>2,312,028</u>			<u>1,792,421</u>	<u>2,312,028</u>	
Total Liabilities	<u>3,087,270</u>	<u>2,627,168</u>	<u>22,118</u>	<u>23,683</u>	<u>3,109,388</u>	<u>2,650,851</u>	14.75%
Deferred Inflows of Resources	<u>1,011,427</u>	<u>1,036,838</u>			<u>1,011,427</u>	<u>1,036,838</u>	-2.45%
Net Position:							
Net Investment in Capital Assets	9,257,763	7,443,683	19,357	22,680	9,277,120	7,466,363	
Restricted	5,971,046	7,095,946			5,971,046	7,095,946	
Unrestricted/(Deficit)	<u>(1,500,390)</u>	<u>(2,187,954)</u>	<u>132,994</u>	<u>53,328</u>	<u>(1,367,396)</u>	<u>(2,134,626)</u>	
Total Net Position	<u>\$ 13,728,419</u>	<u>\$ 12,351,675</u>	<u>\$ 152,351</u>	<u>\$ 76,008</u>	<u>\$ 13,880,770</u>	<u>\$ 12,427,683</u>	11.69%

Changes in Net Position. Net position from governmental activities increased \$1,376,744 and net position from business-type activities increased \$76,343.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities	Total School District	Total School District	Percentage Change
	2021/2022	2021/2022	2020/2021	2020/2021	2021/2022	2020/2021	2021/2022
Revenue:							
Program Revenue:							
Charges for Services	\$ 77,494	\$ 39,609	\$ 33,347	\$ 7,810	\$ 117,103	\$ 41,157	
Operating Grants and Contributions	4,353,841	216,687	4,362,035	142,855	4,570,528	4,504,890	
General Revenue:							
Property Taxes	17,702,488		17,355,380		17,702,488	17,355,380	
Other	189,935	8	126,770	4	189,943	126,774	
Total Revenue	<u>22,323,758</u>	<u>256,304</u>	<u>21,877,532</u>	<u>150,669</u>	<u>22,580,062</u>	<u>22,028,201</u>	2.51%
Expenses:							
Instruction	9,686,167		9,284,715		9,686,167	9,284,715	
Pupil and Instruction Services	7,322,017		7,093,353		7,322,017	7,093,353	
Administrative and Business	1,129,951		1,183,092		1,129,951	1,183,092	
Maintenance and Operations	1,138,060		1,021,372		1,138,060	1,021,372	
Transportation	1,274,187		831,077		1,274,187	831,077	
Capital Outlay	27,639				27,639		
Other	368,993	179,961	368,993	132,611	548,954	501,604	
Total Expenses	<u>20,947,014</u>	<u>179,961</u>	<u>19,782,602</u>	<u>132,611</u>	<u>21,126,975</u>	<u>19,915,213</u>	6.08%
Other Items/Transfers:							
Transfers			(2,315)	2,315			0.00%
Cancellation of Accounts Payables from Prior Year			41,854			41,854	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 1,376,744</u>	<u>\$ 76,343</u>	<u>\$ 2,134,469</u>	<u>\$ 20,373</u>	<u>\$ 1,453,087</u>	<u>\$ 2,154,842</u>	-32.57%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay, and other expenses. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions:

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

The net cost shows the financial burden placed on the District’s taxpayers by each of these functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2021/2022</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>2020/2021</u>
Instruction	\$ 9,686,167	\$ 7,485,055	\$ 9,284,715	\$ 5,459,152
Pupil and Instruction Services	7,322,017	7,230,017	7,093,353	7,000,094
Administrative and Business	1,129,951	1,071,739	1,183,092	942,674
Maintenance and Operations	1,138,060	1,138,060	1,021,372	1,021,372
Transportation	1,274,187	1,036,972	831,077	594,935
Capital Outlay	27,639	27,639		
Other	368,993	368,993	368,993	368,993
	<u>\$ 20,947,014</u>	<u>\$ 18,358,475</u>	<u>\$ 19,782,602</u>	<u>\$ 15,387,220</u>

Business-Type Activities

Net position from the District’s business-type activity increased by \$76,343. (Refer to Figure A-4).

- Food services revenues exceeded expenses by \$76,343 as result of greater federal funding received.

Financial Analysis of the District’s Funds

To maintain a stable financial position, the District must continue to practice sound fiscal management, including but not limited to cost containment practices, seeking out all available efficiencies and a continual evaluation of all offered services and programs.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Capital Asset and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	Change 2021/2022
Sites and Site Improvements	\$ 177,916	\$ 178,175			\$ 177,916	\$ 178,175	
Buildings and Building Improvements	8,939,445	7,188,940			8,939,445	7,188,940	
Machinery and Equipment	140,402	76,568	\$ 19,357	\$ 22,680	159,759	99,248	
Total Capital Assets (Net of Depreciation)	<u>\$ 9,257,763</u>	<u>\$ 7,443,683</u>	<u>\$ 19,357</u>	<u>\$ 22,680</u>	<u>\$ 9,277,120</u>	<u>\$ 7,466,363</u>	24.25%

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage
	2021/2022	2020/2021	Change 2021/2022
Compensated Absences Payable	\$ 295,308	299,941	
Net Pension Liability - PERS	<u>1,497,113</u>	<u>2,012,087</u>	
	<u>\$ 1,792,421</u>	<u>\$ 2,312,028</u>	-22.47%

Factors Bearing on the District's Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future

- As the building continues to age, adequate resources must continue to be accumulated and earmarked for future capital projects and building maintenance operations. Consideration will have to be made as to the useful life expectancy of the building's roof, and HVAC equipment. Future budget development will have to include these projects while working under tight State mandated fund use restrictions.
- Rising employee health benefits and pension costs
- Careful budget planning to shield against large student population fluctuations in our K-8 populations as well as our H.S enrollments
- Escalating Special Education costs
- The possibility of the Coronavirus extending into the next years' district expenditures is also of great concern due to the uncertainty of how long we will have to deal with the virus. The continued cost to the district for such things as disinfecting the building, PPE costs, salaries, and technology costs are also of immediate concern.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office at 234 Somerville Road, Bedminster, NJ 07921.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,219,394	\$ 131,949	\$ 4,351,343
Receivables from State Government	278,523	493	279,016
Receivables from Federal Government	52,367	18,052	70,419
Inventories		4,618	4,618
Restricted Cash and Cash Equivalents	3,731,741		3,731,741
Capital Assets, Net			
Sites (Land)	7,444		7,444
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	9,250,319	19,357	9,269,676
Total Assets	<u>17,539,788</u>	<u>174,469</u>	<u>17,714,257</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	287,328		287,328
Total Deferred Outflows of Resources	<u>287,328</u>		<u>287,328</u>
LIABILITIES			
Accounts Payable	1,246,160	11,980	1,258,140
Payable to State Government	21,500		21,500
Unearned Revenue	27,189	10,138	37,327
Noncurrent Liabilities:			
Due Beyond One Year	1,792,421		1,792,421
Total Liabilities	<u>3,087,270</u>	<u>22,118</u>	<u>3,109,388</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,011,427		1,011,427
Total Deferred Inflows of Resources	<u>1,011,427</u>		<u>1,011,427</u>
NET POSITION			
Net Investment in Capital Assets	9,257,763	19,357	9,277,120
Restricted for:			
Capital Projects	1,958,195		1,958,195
Maintenance Reserve	752,760		752,760
Tuition Reserve	900,000		900,000
Unemployment Compensation	77,623		77,623
Student Activities	43,163		43,163
Excess Surplus	2,239,305		2,239,305
Unrestricted/(Deficit)	(1,500,390)	132,994	(1,367,396)
Total Net Position	<u>\$ 13,728,419</u>	<u>\$ 152,351</u>	<u>\$ 13,880,770</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 7,010,943		\$ 2,095,370	\$ (4,915,573)		\$ (4,915,573)
Special Education	2,392,345		1,709,503	(682,842)		(682,842)
Other Special Instruction	189,564		51,362	(138,202)		(138,202)
Other Instruction	93,315			(93,315)		(93,315)
Support Services:						
Tuition	5,343,969	\$ 39,950		(5,304,019)		(5,304,019)
Student & Instruction Related Services	1,978,048	37,544	51,945	(1,888,559)		(1,888,559)
General Administrative Services	429,808		76,444	(353,364)		(353,364)
School Administrative Services	432,395		102,401	(329,994)		(329,994)
Central Services	267,748		29,601	(238,147)		(238,147)
Plant Operations and Maintenance	1,138,060			(1,138,060)		(1,138,060)
Pupil Transportation	1,274,187		237,215	(1,036,972)		(1,036,972)
Capital Outlay	27,639			(27,639)		(27,639)
Unallocated Depreciation	368,993			(368,993)		(368,993)
Total Governmental Activities	20,947,014	77,494	4,353,841	(16,515,679)		(16,515,679)
Business-Type Activities:						
Food Service	179,961	39,609	216,687		\$ 76,335	76,335
Total Business-Type Activities	179,961	39,609	216,687		76,335	76,335
Total Primary Government	\$ 21,126,975	\$ 117,103	\$ 4,570,528	(16,515,679)	76,335	(16,439,344)

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 17,702,488		\$ 17,702,488
Federal and State Aid not Restricted	93,875		93,875
Miscellaneous Income	96,060	\$ 8	96,068
	17,892,423	8	17,892,431
Total General Revenue			
Change in Net Position	1,376,744	76,343	1,453,087
Net Position - Beginning	12,351,675	76,008	12,427,683
Net Position - Ending	\$ 13,728,419	\$ 152,351	\$ 13,880,770

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 4,215,397	\$ 3,997	\$ 4,219,394
Receivables From State Government	278,523		278,523
Receivables From Federal Government		52,367	52,367
Restricted Cash and Cash Equivalents	3,688,578	43,163	3,731,741
Total Assets	\$ 8,182,498	\$ 99,527	\$ 8,282,025
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,068,684	\$ 7,675	\$ 1,076,359
Payable to State Government		21,500	21,500
Unearned Revenue		27,189	27,189
Total Liabilities	1,068,684	56,364	1,125,048
Fund Balances:			
Restricted:			
Capital Reserve	1,958,195		1,958,195
Maintenance Reserve	752,760		752,760
Unemployment Compensation	77,623		77,623
Student Activities		43,163	43,163
Tuition Reserve - 2022-2023	450,000		450,000
Tuition Reserve - 2023-2024	450,000		450,000
Excess Surplus - 2022-2023	1,346,589		1,346,589
Excess Surplus - 2023-2024	892,716		892,716
Assigned for:			
Year-End Encumbrances	225,128		225,128
Unassigned:			
General Fund	960,803		960,803
Total Fund Balances	7,113,814	43,163	7,156,977
Total Liabilities and Fund Balances	\$ 8,182,498	\$ 99,527	\$ 8,282,025

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances from above	\$ 7,156,977
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore a are not Reported in the Funds.	9,257,763
Long-Term Liabilities, including Bonds Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(295,308)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,497,113)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	117,527
Deferred Inflows	<u>(1,011,427)</u>
Net Position of Governmental Activities	<u><u>\$ 13,728,419</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 17,702,488		\$ 17,702,488
Tuition from Individuals	39,950		39,950
Interest Earned on Capital Reserve Funds	1,324		1,324
Other Restricted Miscellaneous Revenue	20,125	\$ 37,544	57,669
Unrestricted Miscellaneous Revenue	74,611		74,611
Total - Local Sources	17,838,498	37,544	17,876,042
State Sources	3,895,202	61,308	3,956,510
Federal Sources		587,648	587,648
Total Revenues	21,733,700	686,500	22,420,200
EXPENDITURES:			
Current:			
Regular Instruction	3,724,356	450,150	4,174,506
Special Education Instruction	1,180,517	210,580	1,391,097
Other Special Instruction	103,179		103,179
School-Sponsored/Other Instruction	85,703		85,703
Support Services and Undistributed Costs:			
Tuition	5,343,969		5,343,969
Student and Other Instruction Related Services	1,716,496	35,963	1,752,459
General Administration Services	278,047		278,047
School Administration Services	248,312		248,312
Central Services	200,281		200,281
Plant Operations and Maintenance	1,097,901		1,097,901
Student Transportation	1,266,174		1,266,174
Unallocated Benefits	5,080,787		5,080,787
Capital Outlay	2,250,939		2,250,939
Total Expenditures	22,576,661	696,693	23,273,354
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(842,961)	(10,193)	(853,154)
Fund Balance - July 1	7,956,775	53,356	8,010,131
Fund Balance - June 30	\$ 7,113,814	\$ 43,163	\$ 7,156,977

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (853,154)

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 amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	\$ (409,220)	
	Capital Outlays	<u>2,223,300</u>	
			1,814,080

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

4,633

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	514,974	
Change in Deferred Outflows	(129,200)	
Change in Deferred Inflows	<u>25,411</u>	

Change in Net Position of Governmental Activities (A-2) \$ 1,376,744

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 131,949
Intergovernmental Accounts Receivable:	
State	493
Federal	18,052
Inventories	4,618
Total Current Assets	<u>155,112</u>
Non-Current Assets:	
Capital Assets	142,844
Less: Accumulated Depreciation	<u>(123,487)</u>
Total Non-Current Assets	<u>19,357</u>
Total Assets	<u>174,469</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	11,980
Unearned Revenue - Prepaid Sales	8,616
Unearned Revenue - Donated Commodities	1,522
Total Liabilities	<u>22,118</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	19,357
Unrestricted	<u>132,994</u>
Total Net Position	<u>\$ 152,351</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
 AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 39,609
Total Operating Revenue	39,609
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,384
Cost of Sales - Non-Reimbursable Programs	37,951
Salaries, Benefits & Payroll Taxes	61,055
Management Fee	12,360
Miscellaneous Expense	18,888
Depreciation Expense	3,323
Total Operating Expenses	179,961
Operating Loss	(140,352)
Non-Operating Income:	
Local Sources:	
Interest Income	8
State Sources:	
COVID-19 Summer Seamless Option	4,480
Federal Sources:	
COVID-19 Summer Seamless Option	190,862
COVID-19 - Emergency Operational Program Cost Reimbursement	5,234
COVID-19 - PEBT - Administrative Costs	1,245
Food Distribution Program	14,866
Total Non-Operating Income	216,695
Change in Net Position	76,343
Net Position - Beginning of Year	76,008
Net Position - End of Year	\$ 152,351

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows (Used for) Operating Activities:	
Receipts from Customers	\$ 39,609
Payments to Food Service Contractor	(164,128)
Net Cash (Used for) Operating Activities	<u>(124,519)</u>
Cash Flows Provided by Financing Activities:	
Interest Income	8
Net Cash Provided by Financing Activities	<u>8</u>
Cash Flows Provided by Noncapital Financing Activities:	
State Sources	5,931
Federal Sources	208,577
Net Cash Provided by Noncapital Financing Activities	<u>214,508</u>
Net Increase in Cash and Cash Equivalents	89,997
Cash and Cash Equivalents, July 1	<u>41,952</u>
Cash and Cash Equivalents, June 30	<u>\$ 131,949</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (140,352)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	3,323
Food Distribution Program	14,866
Changes in Assets and Liabilities:	
(Increase) in Inventory	(791)
(Decrease) in Unearned Revenue - Prepaid Sales	(4,538)
Increase in Unearned Revenue - Donated Commodities	197
Increase in Accounts Payable	2,776
Net Cash (Used for) Operating Activities	<u>\$ (124,519)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$15,063 and Utilized Commodities Valued at \$14,866.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 21,745,268	\$ 722,330
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Federal		(35,070)
State		(760)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	84,977	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(96,545)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 21,733,700	\$ 686,500

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,576,661	\$ 732,523
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(35,830)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 22,576,661</u>	<u>\$ 695,933</u>

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that 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.

N.J.S.A 17:9-41et 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 depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 source/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the general or enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

P. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

R. Fund Balance Appropriated

General Fund: Of the \$7,113,814 General Fund Balance at June 30, 2022, \$1,958,195 is restricted in the capital reserve account; \$752,760 is restricted in the maintenance reserve account; \$900,000 is restricted in the tuition reserve account; \$77,623 is restricted for unemployment compensation; \$892,716 is restricted for current fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$1,346,589 is restricted for the prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$225,128 is assigned for year-end encumbrances; and \$960,803 is unassigned (which is \$96,545 less than the budgetary basis due to the non-recognition of the last two state aid payments).

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2022 is \$43,163 and is restricted for student activities.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict 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 year's budget. The District had excess surplus at June 30, 2022 as noted above.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$96,545 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB 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 last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit in Net Position:

The District has a deficit in unrestricted net position of \$1,500,390 in its governmental activities, which is due to General Fund unassigned fund balance of \$960,803, \$225,128 of General Fund fund balance assigned for encumbrances, \$117,527 of deferred outflows for pensions; net of deferred inflows for pensions of \$1,011,427, the balance of \$295,308 for compensated absences, and the net pension liability of \$1,497,113. This deficit does not indicate the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2022 related to pension.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, a tuition reserve, excess surplus, unemployment compensation and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2022.

V. Revenue - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Custodial Credit Risk – The District’s policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1970, c.236 (C.17-9-41); or

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash <u>Equivalents</u>	Cash and Cash <u>Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 3,731,741</u>	<u>\$ 4,351,343</u>	<u>\$ 8,083,084</u>

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$8,083,084 and the bank balance was \$8,131,089.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District made a \$247,382 transfer to capital outlay. \$211,540 was for equipment which did not require county superintendent approval. The remaining \$35,732 required approval by the county superintendent which was obtained.

NOTE 5. CAPITAL RESERVE ACCOUNT

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

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

The activity for the Capital Reserve Account for the fiscal year ended June 30, 2022 is as follows:

Beginning Balance, July 1, 2021	\$3,056,871
Interest Earnings	1,324
Deposit by Board Resolution - June 9, 2022	1,000,000
Withdrawal from Capital Reserve by Resolution	<u>(2,100,000)</u>
Ending Balance, June 30, 2022	<u>\$1,958,195</u>

The balance in the capital reserve account at June 30, 2022 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$50,000 was established by the Bedminster Township School District on June 11, 2009. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2021	\$ 752,760
Ending Balance, June 30, 2022	<u>\$ 752,760</u>

NOTE 7. TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year tuition. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

As of June 30, 2022, the District has \$900,000 in the tuition reserve which will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2023 and June 30, 2024, respectively.

Beginning Balance, July 1, 2021	\$ 875,000
Deposit by Board Resolution - June 9, 2022	450,000
Budgeted Withdrawal from Tuition Reserve	<u>(425,000)</u>
Ending Balance, June 30, 2022	<u>\$ 900,000</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance (as Restated)	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 7,444			\$ 7,444
Total Capital Assets Not Being Depreciated	7,444			7,444
Capital Assets Being Depreciated:				
Site Improvements	439,783			439,783
Buildings and Building Improvements	17,367,433	\$ 2,135,732		19,503,165
Machinery and Equipment	604,550	87,568		692,118
Total Capital Assets Being Depreciated	18,411,766	2,223,300		20,635,066
Governmental Activities Capital Assets	18,419,210	2,223,300		20,642,510
Less Accumulated Depreciation for:				
Site Improvements	(269,052)	(259)		(269,311)
Buildings and Building Improvements	(10,178,493)	(385,227)		(10,563,720)
Machinery and Equipment	(527,982)	(23,734)		(551,716)
	(10,975,527)	(409,220)		(11,384,747)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 7,443,683	\$ 1,814,080	\$ -0-	\$ 9,257,763
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 142,844			\$ 142,844
Less: Accumulated Depreciation	(120,164)	\$ (3,323)		(123,487)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 22,680	\$ (3,323)	\$ -0-	\$ 19,357
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction				\$ 21,443
General Administration				6,752
School Administration				6,752
Central Services				3,357
Operations and Maintenance of Plant				1,923
Unallocated				368,993
				\$ 409,220

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022
Compensated Absences Payable	\$ 299,941	\$ 80,925	\$ 85,558	\$ 295,308
Net Pension Liability - PERS	2,012,087		514,974	1,497,113
	\$ 2,312,028	\$ 80,925	\$ 600,532	\$ 1,792,421

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As of June 30, 2022, the District has no bonds outstanding.

B. Bonds Authorized But Not Issued

As of June 30, 2022, the District had no bonds authorized but not issued.

C. Finance Purchases Payable

As of June 30, 2022, the District had no finance purchases payable.

D. Leases Payable

As of June 30, 2022, the District had no leases payable.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term liability balance of compensated absences of \$295,308.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Proprietary Fund.

The General Fund will be used to liquidate the governmental activities Compensated Absences Payable.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$1,497,113. See Note 10 for further information on the PERS.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

Tier	Definition
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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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 members 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 50 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 members. 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. District contributions to PERS amounted to \$148,001 for fiscal year 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.50% effective July 1, 2021.

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

At June 30, 2022, the District reported a liability of \$1,497,113 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.01264%, which was an increase of 0.0034% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$262,874. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 63,268
	2018	5.63		118,615
	2019	5.21		104,639
	2020	5.16		246,460
	2021	5.13	\$ 7,797	
			<u>7,797</u>	<u>532,982</u>
Changes in Proportion	2017	5.48		46,882
	2018	5.63		26,466
	2019	5.21	24,509	
	2020	5.16	9,087	
	2021	5.13	52,523	
			<u>86,119</u>	<u>73,348</u>
Difference Between Expected and Actual Experience	2017	5.48	1,882	
	2018	5.63		4,517
	2019	5.21	7,998	
	2020	5.16	13,731	
	2021	5.13		6,201
			<u>23,611</u>	<u>10,718</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		11,694
	2019	5.00		(3,773)
	2020	5.00		(85,042)
	2021	5.00		471,500
				<u>394,379</u>
Contribution Subsequent to Measurement Date	2021	1.00	169,801	
			<u>\$ 287,328</u>	<u>\$ 1,011,427</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

Fiscal Year Ending June 30,	Total
2022	\$ (353,254)
2023	(252,222)
2024	(171,973)
2025	(129,272)
2026	50
	\$ (906,671)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial 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%

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 a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) 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 PERS' target asset allocation as of June 30, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,039,893	\$ 1,497,113	\$ 1,048,504

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Tier	Definition
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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 members 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 members. 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 included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$1,818,211 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$535,821.

The employee contribution rate was 7.50% effective July 1, 2018.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$22,771,416. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0474%, which was an increase of 0.004% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	22,771,416
Total	\$ 22,771,416

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$535,821 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
		<u>941,265,828</u>		<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u>\$ (20,990,267,071)</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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 Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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 pension plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the following table:

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate - TPAF

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Total Net Pension Liability Associated with the District	\$ 26,942,394	\$ 22,771,416	\$ 19,268,061

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$5,979 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$8,490 for the fiscal year ended June 30, 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their health benefit coverage through Horizon Blue Cross/Blue Shield of NJ and dental insurance coverage through Delta Dental Plan of NJ.

Property and Liability Insurance

The District is a member of the New Jersey Schools Insurance Group (the “NJSIG”). This public entity risk management pool provides general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The NJSIG is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the NJSIG are elected.

As a member of the NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJSIG were to be exhausted, members would become responsible for their respective shares of the Fund’s liabilities. The NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The audit of the NJSIG as of June 30, 2022 is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2021 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 408,725,069
Net Position	\$ 171,872,738
Total Revenue	\$ 142,993,117
Total Expenses	\$ 104,006,539
Change in Net Position	\$ 32,639,633
Members' Dividends	\$ 6,346,945

Financial statements for the NJSIG are available at the Group’s Executive Director’s Office:

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060
Fax: (609) 386-8877

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

The following is a summary of the District's contributions, employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance as restricted for unemployment compensation in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ 21	\$ 11,751	\$ 198	\$ 77,623
2020-2021	-0-	31	10,181	7,377	66,049
2019-2020	-0-	30	10,477	2,927	63,214

NOTE 12. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2022 there were no interfund receivables or payables.

NOTE 14. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equitable	Lincoln Financial
AIG Valic	Metropolitan Life
Ameriprise	Security Benefit

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Encumbrances

At June 30, 2022 there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 225,128</u>	<u>\$ 35,830</u>	<u>\$ 260,958</u>

On the District's Governmental Funds balance sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$35,830 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 17. ACCOUNTS PAYABLE

At June 30, 2022 the District had the following accounts payable:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
	General Fund	Special Revenue Fund			
Vendors	\$ 970,101	\$ 7,675		\$ 977,776	\$ 11,980
Payroll Deductions and Withholdings	98,583			98,583	
Due to State of New Jersey			\$ 169,801	169,801	
	<u>\$ 1,068,684</u>	<u>\$ 7,675</u>	<u>\$ 169,801</u>	<u>\$ 1,246,160</u>	<u>\$ 11,980</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education 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 GASB Codification Section P50. The State Health Benefits 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 years or more 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.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Annual Financial Statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	216,804
Total	366,108

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.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2019	\$ 17,816,878
Changes for Year:	
Service Cost	755,980
Interest Cost	641,535
Changes in Assumptions	5,310,659
Differences Between Expected and Actual Experience	5,038,862
Member Contributions	15,341
Gross Benefit Payments	<u>(506,139)</u>
Net Changes	<u>11,256,238</u>
Balance at June 30, 2020	<u>\$ 29,073,116</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 35,049,142	\$ 29,073,116	\$ 24,400,439

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 23,468,800	\$ 29,073,116	\$ 35,746,611

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$1,616,749 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,764,401
	2018	9.51		1,553,006
	2019	9.29	\$ 209,328	
	2020	9.24	4,735,913	
			4,945,241	3,317,407
Differences between Expected and Actual Experience	2018	9.51		1,468,074
	2019	9.29		2,463,810
	2020	9.24	4,414,056	
			4,414,056	3,931,884
Changes in Proportion	N/A	N/A	1,358,414	
			\$ 10,717,711	\$ 7,249,291

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

Fiscal Year Ending June 30,	Total
2021	\$ (18,624)
2022	(18,625)
2023	(18,625)
2024	(18,625)
2024	(18,625)
Thereafter	(2,016,882)
	\$ (2,110,006)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0133399767%	0.0134767609%	0.0148774342%	0.0124228029%	0.0120174700%	0.0122725746%	0.0123385030%	0.0126376014%
District's proportionate share of the net pension liability	\$ 2,549,535	\$ 3,025,263	\$ 4,406,269	\$ 2,891,830	\$ 2,366,180	\$ 2,211,332	\$ 2,012,087	\$ 1,497,113
District's covered employee payroll	\$ 867,215	\$ 832,497	\$ 982,465	\$ 910,760	\$ 847,756	\$ 862,427	\$ 913,269	\$ 882,773
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	293.99%	363.40%	448.49%	317.52%	279.11%	256.41%	220.32%	169.59%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.0496230291%	0.0470828278%	0.0429856592%	0.0478064840%	0.0439997291%	0.04445190663%	0.0467010031%	0.0473662544%
State's proportionate share of the net pension liability attributable to the District	\$ 26,521,894	\$ 29,758,358	\$ 33,815,256	\$ 32,232,855	\$ 27,991,683	\$ 27,321,771	\$ 30,752,049	\$ 22,771,416
District's covered employee payroll	\$ 4,232,054	\$ 4,318,422	\$ 4,785,433	\$ 4,498,734	\$ 4,768,456	\$ 5,202,052	\$ 5,080,605	\$ 5,165,650
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	626.69%	689.10%	706.63%	716.49%	587.02%	525.21%	605.28%	440.82%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS - ATTRIBUTABLE TO THE DISTRICT
 TEACHERS' PENSION AND ANNUITY FUND
 LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 1,427,127	\$ 1,817,016	\$ 2,540,746	\$ 2,232,929	\$ 1,631,817	\$ 1,611,511	\$ 1,912,293	\$ 535,821
Contributions in relation to the contractually required contribution	(254,547)	(344,160)	(518,927)	(663,685)	(875,583)	(1,024,332)	(1,376,880)	(1,818,211)
Contribution deficiency/(excess)	\$ 1,172,580	\$ 1,472,856	\$ 2,021,819	\$ 1,569,244	\$ 756,234	\$ 587,179	\$ 535,413	\$ (1,282,390)
District's covered employee payroll	\$ 4,318,422	\$ 4,785,433	\$ 4,498,734	\$ 4,768,456	\$ 5,202,052	\$ 5,080,605	\$ 5,165,650	\$ 5,242,640
Contributions as a percentage of covered employee payroll	33.05%	7.19%	11.53%	13.92%	16.83%	20.16%	26.65%	34.68%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	Fiscal Year Ending June 30,			
	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 961,080	\$ 796,728	\$ 658,953	\$ 755,980
Interest Cost	676,284	785,129	757,893	641,535
Changes in Assumptions	(2,785,642)	(2,201,883)	(2,522,590)	5,310,659
Differences Between Expected and Actual Experience		(1,076,692)	265,651	5,038,862
Member Contributions	18,235	17,733	16,212	15,341
Gross Benefit Payments	(495,200)	(513,072)	(546,925)	(506,139)
Net Change in Total OPEB Liability	(1,625,243)	(2,192,057)	(1,370,806)	11,256,238
Total OPEB Liability - Beginning	23,004,984	21,379,741	19,187,684	17,816,878
Total OPEB Liability - Ending	<u>\$ 21,379,741</u>	<u>\$ 19,187,684</u>	<u>\$ 17,816,878</u>	<u>\$ 29,073,116</u>
District's Covered Employee Payroll *	\$ 5,409,494	\$ 5,616,212	\$ 6,064,479	\$ 5,993,874
Total OPEB Liability as a Percentage of Covered Employee Payroll	395%	342%	294%	485%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019 and 2020 are based on the payroll on the on the June 30, 2016, 2017, 2018 and 2019 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 17,702,488		\$ 17,702,488	\$ 17,702,488	
Tuition From Individuals	12,750		12,750	39,950	\$ 27,200
Interest Earned on Capital Reserve Funds	500		500	1,324	824
Other Restricted Miscellaneous Revenues				20,125	20,125
Unrestricted Miscellaneous Revenues	37,500		37,500	74,611	37,111
Total Revenues from Local Sources	<u>17,753,238</u>		<u>17,753,238</u>	<u>17,838,498</u>	<u>85,260</u>
Revenues from State Sources:					
Categorical Transportation Aid	217,074		217,074	217,074	
Extraordinary Aid				240,272	240,272
Categorical Special Education Aid	682,136		682,136	682,136	
Non Public Transportation Aid				20,140	20,140
Categorical Security Aid	66,237		66,237	66,237	
Securing Our Children's Future Bond Act (Alyssa's Law)		\$ 27,639	27,639	27,639	
TPAF Post Retirement Contributions (Non-Budgeted)				430,801	430,801
TPAF Pension Contributions (Non-Budgeted)				1,818,211	1,818,211
TPAF Non-Contributory Insurance (Non-Budgeted)				25,652	25,652
TPAF Long-Term Disability Insurance (Non-Budgeted)				562	562
Reimbursed TPAF Social Security Contributions				378,046	378,046
Total Revenues from State Sources	<u>965,447</u>	<u>27,639</u>	<u>993,086</u>	<u>3,906,770</u>	<u>2,913,684</u>
TOTAL REVENUE	<u>18,718,685</u>	<u>27,639</u>	<u>18,746,324</u>	<u>21,745,268</u>	<u>2,998,944</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 386,262	\$	\$ 386,262	\$ 311,206	\$ 75,056
Grades 1-5 - Salaries of Teachers	1,815,080	(166,127)	1,648,953	1,489,585	159,368
Grades 6-8 - Salaries of Teachers	1,477,652	36,403	1,514,055	1,457,574	56,481
Regular Programs - Home Instruction:					
Salaries of Teachers	76,700	130	76,830	47,254	29,576
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	18,000		18,000	35	17,965
Purchased Technical Services	44,560	(130)	44,430	44,316	114
Other Purchased Services (400-500 series)	47,843		47,843	32,257	15,586
General Supplies	100,094	(5,746)	94,348	82,670	11,678
Textbooks	67,000	(19,480)	47,520	10,734	36,786
Other Objects	385,145	(84,644)	300,501	248,725	51,776
Total Regular Programs - Instruction	4,418,336	(239,594)	4,178,742	3,724,356	454,386
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	155,880	4,510	160,390	160,390	
Other Salaries for Instruction	81,141		81,141	81,141	
Purchased Professional-Educational Services	40,000	(40,000)			
General Supplies	1,000		1,000		1,000
Total Learning and/or Language Disabilities	278,021	(35,490)	242,531	241,531	1,000
Resource Room/Resource Center:					
Salaries of Teachers	696,149	72,988	769,137	749,278	19,859
Other Salaries for Instruction	29,087	28,151	57,238	57,238	
General Supplies	6,210		6,210	1,406	4,804
Total Resource Room/Resource Center	731,446	101,139	832,585	807,922	24,663

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 119,800	\$ 7,075	\$ 126,875	\$ 125,160	\$ 1,715
Purchased Professional-Educational Services	6,200	5,000	11,200	5,904	5,296
General Supplies	1,700		1,700		1,700
Total Preschool Disabilities - Part-Time	127,700	12,075	139,775	131,064	8,711
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,137,167	77,724	1,214,891	1,180,517	34,374
Bilingual Education - Instruction:					
Salaries of Teachers	78,520		78,520	78,520	
General Supplies	1,000		1,000	713	287
Total Bilingual Education - Instruction	79,520		79,520	79,233	287
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	66,950		66,950	30,605	36,345
Supplies and Materials	11,000		11,000	870	10,130
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	77,950		77,950	31,475	46,475
School-Sponsored Athletics - Instruction:					
Salaries	45,320		45,320	40,130	5,190
Purchased Services (300-500 series)	10,000		10,000	5,160	4,840
Other Objects	12,621		12,621	8,938	3,683
Total School-Sponsored Athletics - Instruction	67,941		67,941	54,228	13,713
Summer School - Instruction:					
Salaries of Teachers	45,000		45,000	22,938	22,062
Other Salaries of Instruction	11,000		11,000	1,008	9,992
Total Summer School - Instruction	56,000		56,000	23,946	32,054
TOTAL INSTRUCTION	5,836,914	(161,870)	5,675,044	5,093,755	581,289

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 4,422,928	\$ 204,484	\$ 4,627,412	\$ 4,627,412	\$ 232,710
Tuition to Other LEAs Within the State-Special	486,990		486,990	254,280	
Tuition to Priv. Sch. for the Handicap. W/I State	853,052	(204,484)	648,568	462,277	186,291
Total Undistributed Expenditures - Instruction	5,762,970		5,762,970	5,343,969	419,001
Undistributed Expenditures - Health Services:					
Salaries	109,755		109,755	84,022	25,733
Purchased Professional and Technical Services	11,500		11,500	350	11,150
Supplies and Materials	6,000		6,000	2,155	3,845
Total Undist. Expenditures - Health Services	127,255		127,255	86,527	40,728
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	188,010	398	188,408	187,938	470
Purchased Professional - Educational Services	10,500		10,500	495	10,005
Supplies and Materials	3,300		3,300	2,884	416
Total Undist. Expend. - Speech, OT, PT, Related Svcs	201,810	398	202,208	191,317	10,891
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	191,680		191,680	191,680	
Salaries of Secretarial and Clerical Assistants	99,791	1,524	101,315	100,273	1,042
Supplies and Materials	2,500		2,500		2,500
Other Objects	1,000		1,000		1,000
Total Undist Expend. - Guidance	294,971	1,524	296,495	291,953	4,542
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	360,443	67,023	427,466	413,789	13,677
Salaries of Secretarial and Clerical Assistants	24,408		24,408	24,408	
Purchased Professional - Educational Services	516,885	(68,945)	447,940	394,907	53,033
Other Purchased Prof. and Tech. Services	12,750		12,750		12,750
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	3,000		3,000		3,000
Total Undist Expend. - Child Study Team	917,986	(1,922)	916,064	833,104	82,960

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	\$ 76,265	\$ (12,000)	\$ 64,265	\$ 43,000	\$ 21,265
Other Purchased Services (400-500 series)	28,000		28,000		28,000
Supplies and Materials	250		250		250
Other Objects	250		250		250
Total Undist. Expend.-Improv. of Inst. Serv.	104,765	(12,000)	92,765	43,000	49,765
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	71,200		71,200	71,200	
Salaries of Technology Coordinators	147,931	848	148,779	147,327	1,452
Purchased Professional and Technical Services	1,500		1,500		1,500
Supplies and Materials	18,000		18,000	10,033	7,967
Other Objects	55,000		55,000	37,746	17,254
Total Undist Expend-Edu. Media Serv./Sch. Library	293,631	848	294,479	266,306	28,173
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	17,600		17,600	4,289	13,311
Total Undist.Expend.-Instructional Staff Training Services	17,600		17,600	4,289	13,311
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	178,953	32,414	211,367	200,598	10,769
Legal Services	47,000	(5,077)	41,923	20,751	21,172
Other Purchased Professional Services	41,060		41,060	35,635	5,425
Purchased Technical Services	12,600		12,600	3,202	9,398
Communications / Telephone	360		360		360
Other Purch. Serv. (400-500 series other than 530 & 585)	10,000	(500)	9,500	2,469	7,031
General Supplies	5,300	2,316	7,616	6,976	640
Miscellaneous Expenditures	9,050		9,050	8,416	634
Total Undist. Expend.-Support Serv.-Gen. Admin.	304,323	29,153	333,476	278,047	55,429

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 212,424	\$ 12,000	\$ 224,424	\$ 224,424	
Salaries of Secretarial and Clerical Assistants	21,648		21,648	21,448	\$ 200
Other Purchased Services (400-500 series)	3,700	(765)	2,935	1,370	1,565
Supplies and Materials	150		150	150	
Other Objects	1,000	765	1,765	920	845
Total Undist. Expend.-Support Serv.-School Adm.	238,922	12,000	250,922	248,312	2,610
Undist. Expend. - Central Services:					
Salaries	255,031		255,031	192,181	62,850
Purchased Professional Services	10,000		10,000	3,438	6,562
Miscellaneous Purchased Services (400-500 series other than 594)	5,780	900	6,680	4,014	2,666
Supplies and Materials	5,000	(900)	4,100	567	3,533
Other Objects	2,500		2,500	81	2,419
Total Undist. Expend. - Central Services	278,311		278,311	200,281	78,030
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	122,004	7,292	129,296	129,296	
Cleaning, Repair, and Maintenance Services	229,915		229,915	229,290	625
General Supplies	30,100	400	30,500	29,891	609
Total Undist. Expend.- Required Maint. for School Facilities	382,019	7,692	389,711	388,477	1,234
Undist. Expend.-Custodial Services:					
Salaries	272,299	(25,974)	246,325	220,866	25,459
Purchased Professional and Technical Services	23,500	(400)	23,100	16,738	6,362
Cleaning, Repair, and Maintenance Services	104,474		104,474	99,921	4,553
Other Purchased Property Services	25,000		25,000	20,075	4,925
Insurance	67,200		67,200	59,819	7,381
Miscellaneous Purchased Services	3,000		3,000	2,351	649
General Supplies	42,850	(15,088)	27,762	27,757	5
Energy (Gasoline)	318,000		318,000	240,653	77,347
Other Objects	23,054		23,054	21,244	1,810
Total Undist. Expend.-Custodial Services	879,377	(41,462)	837,915	709,424	128,491
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	1,261,396	(33,770)	1,227,626	1,097,901	129,725

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 22,761	\$ 682	\$ 23,443	\$ 23,443	\$ 1,500
Management Fee - ESC&CTSA Transportation Program	1,500		1,500	51,500	36,500
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	88,000		88,000	458,972	9,306
Contract. Serv.(Bet. Home & Sch.)-Vendors	468,278		468,278	11,105	4,895
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	16,000		16,000		
Undist. Expend.-Student Transportation Serv. (Cont'd):					
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	171,880		171,880	145,514	26,366
Contract. Serv.(Spl. Ed. Students)-Vendors	152,585	20,200	172,785	162,446	10,339
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts.	75,665	(20,200)	55,465		55,465
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	502,000		502,000	412,210	89,790
Misc. Purchased Serv. - Transportation	1,200		1,200	984	216
Total Undist. Expend.-Student Trans. Serv.	1,499,869	682	1,500,551	1,266,174	234,377
UNALLOCATED BENEFITS					
Social Security Contributions	194,070		194,070	142,386	51,684
Other Retirement Contributions - PERS	158,175	(5,979)	152,196	148,001	4,195
Other Retirement Contributions - Other		5,979	5,979	5,979	
Unemployment Compensation	45,000		45,000		45,000
Workers Compensation	79,000		79,000	67,688	11,312
Health Benefits	2,374,602	(82,315)	2,292,287	2,003,962	288,325
Tuition Reimbursement	51,000		51,000	50,271	729
Other Employee Benefits	156,000		156,000	9,228	146,772
TOTAL UNALLOCATED BENEFITS	3,057,847	(82,315)	2,975,532	2,427,515	548,017

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			\$	430,801	\$ (430,801)
TPAF Pension Contributions (Non-Budgeted)				1,818,211	(1,818,211)
TPAF Non-Contributory Insurance (Non-Budgeted)				25,652	(25,652)
TPAF Long-Term Disability Insurance (Non-Budgeted)				562	(562)
Reimbursed TPAF Social Security Contributions				378,046	(378,046)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>2,653,272</u>	<u>(2,653,272)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 3,057,847	\$ (82,315)	\$ 2,975,532	5,080,787	(2,105,255)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>14,361,656</u>	<u>(85,402)</u>	<u>14,276,254</u>	<u>15,231,967</u>	<u>(955,713)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>20,198,570</u>	<u>(247,272)</u>	<u>19,951,298</u>	<u>20,325,722</u>	<u>(374,424)</u>
CAPITAL OUTLAY					
Equipment					
Kindergarten		3,390	3,390		3,390
Grades 6-8		30,406	30,406	27,424	2,982
Undistributed:					
Undistributed Expenditures - Instruction		3,390	3,390	3,390	
Undistributed Expenditures - Admin. Info. Tech.		123,166	123,166	41,666	81,500
Undist. Expend. - Required Maint for School Fac.		51,188	51,188	15,088	36,100
Undist. Expend. - Security		27,639	27,639	27,639	
Total Equipment		<u>239,179</u>	<u>239,179</u>	<u>115,207</u>	<u>123,972</u>
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services		135,280	135,280	135,280	
Other Purchased Prof. and Tech. Services	2,100,000	(99,548)	2,000,452	2,000,452	
Total Facilities Acquisition and Const. Serv.	<u>2,100,000</u>	<u>35,732</u>	<u>2,135,732</u>	<u>2,135,732</u>	
TOTAL CAPITAL OUTLAY	<u>2,100,000</u>	<u>274,911</u>	<u>2,374,911</u>	<u>2,250,939</u>	<u>123,972</u>
TOTAL EXPENDITURES	<u>22,298,570</u>	<u>27,639</u>	<u>22,326,209</u>	<u>22,576,661</u>	<u>(250,452)</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (3,579,885)	\$	\$ (3,579,885)	\$ (831,393)	\$ 2,748,492
Fund Balance, July 1	8,041,752		8,041,752	8,041,752	
Fund Balance, June 30	\$ 4,461,867	\$ -0-	\$ 4,461,867	\$ 7,210,359	\$ 2,748,492
<u>Recapitulation:</u>					
Restricted Fund Balance:				\$	
Unemployment Compensation				77,623	
Capital Reserve				1,958,195	
Maintenance Reserve				752,760	
Tuition Reserve for 2023-2024 year				450,000	
Tuition Reserve for 2022-2023 year				450,000	
Excess Surplus - Restricted For 2023-2024				892,716	
Excess Surplus - Restricted For 2022-2023				1,346,589	
Assigned Fund Balance:					
Year End Encumbrances				225,128	
Unassigned Fund Balance				1,057,348	
				7,210,359	
Reconciliation to Governmental Funds Statement (GAAP):				(96,545)	
Last State Aid Payments not Recognized on GAAP basis				\$ 7,113,814	
Fund Balance per Governmental Funds (GAAP)					

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 8,830	\$ 40,963	\$ 49,793	\$ 37,544	\$ (12,249)
State Sources	84,829	(6,961)	77,868	62,068	(15,800)
Federal Sources	242,576	949,917	1,192,493	622,718	(569,775)
Total Revenue	336,235	983,919	1,320,154	722,330	(597,824)
Expenditures:					
Instruction:					
Salaries of Teachers	8,830	168,546	177,376	54,680	122,696
Purchased Professional and Technical Services	19,876	2,517	22,393	13,038	9,355
Other Purchased Services	170,461	75,469	245,930	245,930	
General Supplies	88,681	7,940	96,621	77,742	18,879
Total Instruction	287,848	254,472	542,320	391,390	150,930
Support Services:					
Salaries of Other Professional Staff		22,680	22,680		22,680
Purchased Professional and Technical Services		25,939	25,939	25,939	
Purchased Professional and Educational Services	48,387	(12,209)	36,178	18,218	17,960
Supplies and Materials		66,685	66,685	42,209	24,476
Student Activities		35,963	35,963	35,963	
Total Support Services	48,387	139,058	187,445	122,329	65,116
Facilities Acquisition and Construction Services:					
Instructional Equipment		590,389	590,389	218,804	371,585
Total Facilities Acquisition and Construction Services		590,389	590,389	218,804	371,585
Total Expenditures	336,235	983,919	1,320,154	732,523	587,631
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (10,193)	\$ (10,193)

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 21,745,268	\$ 722,330
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, Whereas the GAAP Basis does not:		
Federal		(35,070)
State		(760)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	84,977	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(96,545)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 21,733,700</u>	 <u>\$ 686,500</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 22,576,661	\$ 732,523
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		<u>(35,830)</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 22,576,661</u>	 <u>\$ 696,693</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Every Student Succeeds Act		IDEA Part B		IDEA Part B	
	Title I	Title II Part A	Title IV	Basic	Preschool	ARP Basic Preschool
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 29,659	\$ 3,093	\$ 9,998	\$ 168,481	\$ 6,713	\$ 32,604
Total Revenues	<u>29,659</u>	<u>3,093</u>	<u>9,998</u>	<u>168,481</u>	<u>6,713</u>	<u>32,604</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			5,000			
Purchased Professional and Technical Services					6,713	
Other Purchased Services				168,481		32,604
General Supplies	29,489		4,998			
Total Instruction	<u>29,489</u>		<u>9,998</u>	<u>168,481</u>	<u>6,713</u>	<u>32,604</u>
Support Services:						
Purchased Professional and Technical Services		3,093				
Purchased Professional and Educational Services						
Supplies and Materials	170					
Student Activities						
Total Support Services	<u>170</u>	<u>3,093</u>				
Facilities Acquisition:						
Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	<u>\$ 29,659</u>	<u>\$ 3,093</u>	<u>\$ 9,998</u>	<u>\$ 168,481</u>	<u>\$ 6,713</u>	<u>\$ 32,604</u>
						<u>\$ 2,782</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Security Aid	Non-Public Handicapped Services Examination & Classification	Corrective Speech	Supplemental Instruction
REVENUES:							
Local Sources							
State Sources	\$ 6,325	\$ 6,636	\$ 9,482	\$ 24,500	\$ 10,043	\$ 2,604	\$ 2,478
Federal Sources							
Total Revenues	<u>6,325</u>	<u>6,636</u>	<u>9,482</u>	<u>24,500</u>	<u>10,043</u>	<u>2,604</u>	<u>2,478</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	6,325						
Purchased Professional and Technical Services							
Other Purchased Services							
General Supplies		6,636	9,482	24,500			
Total Instruction	<u>6,325</u>	<u>6,636</u>	<u>9,482</u>	<u>24,500</u>			
Support Services:							
Purchased Professional and Technical Services					10,043	2,604	2,478
Purchased Professional and Educational Services							
Supplies and Materials							
Student Activities							
Total Support Services					<u>10,043</u>	<u>2,604</u>	<u>2,478</u>
Facilities Acquisition:							
Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	<u>\$ 6,325</u>	<u>\$ 6,636</u>	<u>\$ 9,482</u>	<u>\$ 24,500</u>	<u>\$ 10,043</u>	<u>\$ 2,604</u>	<u>\$ 2,478</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA		ARP			Local Grants
	ESSER II	Learning Acceleration	Mental Health	ESSER III	NJTSS Mental Health	
REVENUES:						
Local Sources						\$ 11,774
State Sources						
Federal Sources	\$ 147,490	\$ 24,961	\$ 37,032	\$ 84,138	\$ 20,759	\$ 17,399
Total Revenues	<u>147,490</u>	<u>24,961</u>	<u>37,032</u>	<u>84,138</u>	<u>20,759</u>	<u>17,399</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers		20,507				17,399
Purchased Professional and Technical Services						
Other Purchased Services		4,454				
General Supplies			2,637			
Total Instruction		<u>24,961</u>	<u>2,637</u>			<u>17,399</u>
Support Services:						
Purchased Professional and Technical Services			15,939		10,000	
Purchased Professional and Educational Services						
Supplies and Materials	12,824		18,456		10,759	
Student Activities						
Total Support Services	<u>12,824</u>		<u>34,395</u>		<u>20,759</u>	
Facilities Acquisition:						
Instructional Equipment	134,666			84,138		
Total Facilities Acquisition	<u>134,666</u>			<u>84,138</u>		
Total Expenditures	<u>\$ 147,490</u>	<u>\$ 24,961</u>	<u>\$ 37,032</u>	<u>\$ 84,138</u>	<u>\$ 20,759</u>	<u>\$ 17,399</u>
						<u>\$ 11,774</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES:			
Local Sources		\$ 25,770	\$ 37,544
State Sources			62,068
Federal Sources	\$ 37,609		622,718
Total Revenues	<u>37,609</u>	<u>25,770</u>	<u>722,330</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			54,680
Purchased Professional and Technical Services			13,038
Other Purchased Services	37,609		245,930
General Supplies			77,742
Total Instruction	<u>37,609</u>		<u>391,390</u>
Support Services:			
Purchased Professional and Technical Services			25,939
Purchased Professional and Educational Services			18,218
Supplies and Materials			42,209
Student Activities		35,963	35,963
Total Support Services		<u>35,963</u>	<u>122,329</u>
Facilities Acquisition:			
Instructional Equipment			218,804
Total Facilities Acquisition			<u>218,804</u>
Total Expenditures	<u>\$ 37,609</u>	<u>\$ 35,963</u>	<u>\$ 732,523</u>

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 131,949
Intergovernmental Accounts Receivable:	
State	493
Federal	18,052
Inventories	4,618
	<hr/>

Total Current Assets	<hr/> 155,112
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Non-Current Assets:

Capital Assets	142,844
Less: Accumulated Depreciation	(123,487)
	<hr/>

Total Non-Current Assets	<hr/> 19,357
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Total Assets	<hr/> 174,469
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LIABILITIES:

Current Liabilities:

Accounts Payable	11,980
Unearned Revenue - Prepaid Sales	8,616
Unearned Revenue - Donated Commodities	1,522
	<hr/>

Total Liabilities	<hr/> 22,118
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NET POSITION:

Investment in Capital Assets	19,357
Unrestricted	132,994
	<hr/>

Total Net Position	<hr/> \$ 152,351
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BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 39,609
	<hr/>
Total Operating Revenue	39,609
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,384
Cost of Sales - Non-Reimbursable Programs	37,951
Salaries, Benefits and Payroll Taxes	61,055
Management Fee	12,360
Miscellaneous Expense	18,888
Depreciation Expense	3,323
	<hr/>
Total Operating Expenses	179,961
	<hr/>
Operating Loss	(140,352)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	8
State Sources:	
COVID-19 Seamless Summer Option	4,480
Federal Sources:	
COVID-19 Seamless Summer Option	190,862
COVID-19 - Emergency Operational Program Cost Reimbursement	14,866
COVID-19 - PEBT - Administrative Costs	5,234
PEBT - Cost Reimbursement	1,245
	<hr/>
Total Non-Operating Income	216,695
	<hr/>
Change in Net Assets	76,343
	<hr/>
Net Position - Beginning of Year	76,008
	<hr/>
Net Position - End of Year	\$ 152,351
	<hr/> <hr/>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows (Used for) Operating Activities:	
Receipts from Customers	\$ 39,609
Payments to Food Service Contractor	(164,128)
	<hr/>
Net Cash (Used for) Operating Activities	(124,519)
	<hr/>
Cash Flows Provided by Financing Activities:	
Interest Income	8
	<hr/>
Net Cash Provided by Financing Activities	8
	<hr/>
Cash Flows Provided by Noncapital Financing Activities:	
State Sources	5,931
Federal Sources	208,577
	<hr/>
Net Cash Provided by Noncapital Financing Activities	214,508
	<hr/>
Net Increase in Cash and Cash Equivalents	89,997
Cash and Cash Equivalents, July 1	41,952
	<hr/>
Cash and Cash Equivalents, June 30	\$ 131,949
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (140,352)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:	
Depreciation	3,323
Food Distribution Program	14,866
Changes in Assets and Liabilities:	
(Increase) in Inventory	(791)
(Decrease) in Unearned Revenue - Prepaid Sales	(4,538)
Increase in Unearned Revenue - Donated Commodities	197
Increase in Accounts Payable	2,776
	<hr/>
Net Cash (Used for) Operating Activities	\$ (124,519)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$15,063 and Utilized Commodities Valued at \$14,866.

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 6,718,123	\$ 7,026,890	\$ 7,360,421	\$ 7,876,650	\$ 8,367,236	\$ 8,482,862	\$ 8,074,945	\$ 7,657,988	\$ 7,443,683	\$ 9,257,763
Restricted	904,787	1,352,059	1,117,040	701,060	1,267,640	2,122,632	3,321,701	5,154,277	7,095,946	5,971,046
Unrestricted/(Deficit)	409,835	(2,141,084)	(2,656,852)	(2,443,871)	(2,942,908)	(2,899,668)	(2,842,948)	(2,595,059)	(2,187,954)	(1,500,390)
Total Governmental Activities Net Position	\$ 8,032,745	\$ 6,237,865	\$ 5,820,609	\$ 6,133,839	\$ 6,691,968	\$ 7,705,826	\$ 8,553,698	\$ 10,217,206	\$ 12,351,675	\$ 13,728,419
Business-type Activities										
Investment in Capital Assets	\$ 42,722	\$ 36,824	\$ 30,926	\$ 25,028	\$ 19,130	\$ 30,556	\$ 27,011	\$ 23,688	\$ 22,680	\$ 19,357
Unrestricted/(Deficit)	39,040	9,492	12,763	8,543	(3,166)	337	10,801	31,947	53,328	132,994
Total Business-type Activities Net Position	\$ 81,762	\$ 46,316	\$ 43,689	\$ 33,571	\$ 15,964	\$ 30,893	\$ 37,812	\$ 55,635	\$ 76,008	\$ 152,351
District-wide										
Net Investment in Capital Assets	\$ 6,760,845	\$ 7,063,714	\$ 7,391,347	\$ 7,901,678	\$ 8,386,366	\$ 8,513,418	\$ 8,101,956	\$ 7,681,676	\$ 7,466,363	\$ 9,277,120
Restricted	904,787	1,352,059	1,117,040	701,060	1,267,640	2,122,632	3,321,701	5,154,277	7,095,946	5,971,046
Unrestricted/(Deficit)	448,875	(2,131,592)	(2,644,089)	(2,435,328)	(2,946,074)	(2,899,331)	(2,832,147)	(2,563,112)	(2,134,626)	(1,367,396)
Total District Net Position	\$ 8,114,507	\$ 6,284,181	\$ 5,864,298	\$ 6,167,410	\$ 6,707,932	\$ 7,736,719	\$ 8,591,510	\$ 10,272,841	\$ 12,427,883	\$ 13,880,770

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,739,769	\$ 4,932,687	\$ 5,561,525	\$ 5,622,209	\$ 5,682,761	\$ 5,506,099	\$ 5,244,858	\$ 4,722,056	\$ 5,113,507	\$ 5,343,969
Special Education	1,990,717	1,503,870	1,865,603	1,881,058	2,210,611	2,011,435	1,897,553	2,123,522	1,979,846	1,978,048
Other Special Education	88,036	411,356	366,502	399,116	449,799	461,918	462,707	439,458	426,223	429,808
School Sponsored/Other Instruction	100,070	287,991	302,411	271,320	298,195	329,399	342,091	300,876	432,054	432,395
Support Services:										
Tuition	4,686,678	347,143	364,946	382,802	366,197	347,305	351,946	353,820	324,815	267,748
Student & Instruction Related Services	1,631,443	1,010,222	1,089,375	886,362	874,006	999,355	1,063,788	1,026,063	1,021,372	1,138,060
General Administrative Services	434,693	965,893	1,050,757	1,192,445	1,045,359	1,041,919	1,067,846	1,070,948	831,077	1,274,187
School Administrative Services	279,767	39,914	114,887	112,663	30,554					
Central Services	314,776	157,000	123,350	89,667	57,066	23,200				
Plant Operations and Maintenance	789,651									
Pupil Transportation	898,694									
Transfer of Funds to Charter School	186,725									
Interest on Long-term Debt	42,454									
Capital Outlay	453,559									
Unallocated		399,461	399,461	399,460	399,460	399,460	384,040	382,957	368,993	368,993
Total Governmental Activities Expenses	16,814,400	16,974,129	19,922,394	19,870,202	20,768,970	21,572,841	20,282,140	19,474,852	19,782,602	20,947,014
Business-type Activities:										
Food Service	211,490	246,322	209,505	209,171	200,930	185,916	159,488	114,446	132,611	179,961
Total Business-type Activities Expense	211,490	246,322	209,505	209,171	200,930	185,916	159,488	114,446	132,611	179,961
Total District Expenses	17,025,890	17,220,451	20,131,899	20,079,373	20,969,900	21,758,757	20,441,628	19,589,298	19,915,213	21,126,975
Program Revenues										
Governmental Activities:										
Charges for Services	2,214,136	2,007,954	3,304,230	3,632,468	4,470,366	5,574,996	4,344,582	3,894,570	4,362,035	4,353,841
Instruction (Tuition)	2,214,136	2,007,954	3,304,230	3,632,468	4,470,366	5,574,996	4,356,582	3,908,050	4,395,382	4,431,335
Operating Grants and Contributions							12,000	13,480	33,347	77,494
Total Governmental Activities Program Revenues	4,428,272	4,015,908	6,608,460	7,264,936	8,940,732	11,149,992	8,713,164	7,817,100	8,790,764	8,912,669
Business-type Activities:										
Charges for Services	189,122	168,730	165,504	162,390	149,571	143,287	126,515	102,166	7,810	39,609
Food Service	48,288	42,137	41,364	36,653	33,742	40,228	39,886	30,094	142,855	216,687
Operating Grants and Contributions	237,410	210,867	206,868	199,043	183,313	183,515	166,401	132,260	150,665	256,296
Total Business-type Activities Program Revenues	474,820	421,734	413,736	398,086	366,627	367,030	332,812	264,520	161,325	468,631
Total District Program Revenues	4,903,092	4,437,642	7,022,196	7,663,022	9,307,359	11,517,022	9,045,976	8,081,620	8,952,089	9,381,300
Net (Expense)/Revenue	(14,600,264)	(14,966,175)	(16,618,164)	(16,237,734)	(16,298,604)	(15,997,845)	(15,925,558)	(15,566,802)	(15,387,220)	(16,515,679)
Governmental Activities	25,920	(35,455)	(2,637)	(10,128)	(17,617)	(2,401)	6,913	17,814	18,054	76,335
Business-type Activities	(14,574,344)	(15,001,630)	(16,620,801)	(16,247,862)	(16,316,221)	(16,000,246)	(15,918,645)	(15,548,988)	(15,369,166)	(16,439,344)
Total District-wide Net Expense										

BEDMINSTER TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

(accrual basis of accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,998,445	\$ 14,557,784	\$ 15,099,326	\$ 15,389,072	\$ 15,782,576	\$ 16,343,208	\$ 16,682,800	\$ 17,015,079	\$ 17,355,380	\$ 17,702,488
Taxes Levied for Debt Service	906,550	902,750	903,825	905,400	903,200	900,800				
Federal and State Aid not restricted									66,176	93,875
Tuition	104,851	113,148	94,344	39,336	19,500	36,975				
Miscellaneous Income	229,184	147,148	238,709	217,156	151,457	65,148	90,630	103,231	60,594	96,060
Transfers									(2,315)	
Cancellation of Prior Year Accounts Payable			(135,296)						41,854	
Cancellation of Prior Year Accounts Receivable										
Total Governmental Activities	15,239,030	15,720,830	16,200,908	16,550,964	16,856,733	17,346,131	16,773,430	17,118,310	17,521,689	17,892,423
Business-type Activities:										
Transfers	114	9	10	10	10	6	6	9	2,315	8
Investment Earnings									4	
Total Business-type Activities	114	9	10	10	10	6	6	9	2,319	8
Total District-wide	15,239,144	15,720,839	16,200,918	16,550,974	16,856,743	17,346,137	16,773,436	17,118,319	17,524,008	17,892,431
Change in Net Position										
Governmental Activities	638,766	754,655	(417,256)	313,230	558,129	1,348,286	847,872	1,551,508	2,134,469	1,376,744
Business-type Activities	26,034	(35,446)	(2,627)	(10,118)	(17,607)	(2,395)	6,919	17,823	20,373	76,343
Total District	\$ 664,800	\$ 719,209	\$ (419,883)	\$ 303,112	\$ 540,522	\$ 1,345,891	\$ 854,791	\$ 1,569,331	\$ 2,154,842	\$ 1,453,087

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 904,787	\$ 1,352,059	\$ 1,113,040	\$ 697,060	\$ 1,263,640	\$ 2,122,632	\$ 3,321,701	\$ 5,105,491	\$ 7,042,590	\$ 5,927,883
Assigned	213,511	214,343	6,076	132,940	42,102	69,484	75,087	268,964	110,064	225,128
Unassigned	318,654	317,940	145,786	280,232	269,191	342,145	350,612	349,443	804,121	960,803
Total General Fund	\$ 1,436,952	\$ 1,884,342	\$ 1,264,902	\$ 1,110,232	\$ 1,574,933	\$ 2,534,261	\$ 3,747,400	\$ 5,723,898	\$ 7,956,775	\$ 7,113,814
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund			\$ 4,000	\$ 4,000	\$ 4,000			\$ 48,786	\$ 53,356	\$ 43,163
Debt Service Fund										
Total All Other Governmental Funds	\$ -0-	\$ -0-	\$ 4,000	\$ 4,000	\$ 4,000	\$ -0-	\$ -0-	\$ 48,786	\$ 53,356	\$ 43,163
Total Governmental Funds	\$ 1,436,952	\$ 1,884,342	\$ 1,268,902	\$ 1,114,232	\$ 1,578,933	\$ 2,534,261	\$ 3,747,400	\$ 5,772,684	\$ 8,010,131	\$ 7,156,977

Source: School District Financial Reports

**BEDMINSTER TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 14,904,995	\$ 15,460,534	\$ 16,003,151	\$ 16,294,472	\$ 16,685,776	\$ 17,244,008	\$ 16,682,800	\$ 17,015,079	\$ 17,355,380	\$ 17,702,488
Tuition Charges	104,851	113,148	94,344	39,336	19,500	36,975	12,000	13,480	24,177	39,950
Interest Earnings	1,724	1,173	1,128	957	115	30	30	2,254	1,171	1,324
Miscellaneous	237,042	145,974	237,581	216,199	151,342	65,118	90,600	100,977	68,593	132,280
State Sources	1,906,334	1,787,550	1,875,661	1,923,773	2,207,239	2,411,451	2,691,881	2,875,017	3,442,438	3,956,510
Federal Sources	298,220	220,404	255,989	235,840	260,110	266,931	330,012	281,142	352,010	587,648
Total Revenue	17,453,166	17,728,783	18,467,854	18,710,577	19,324,082	20,024,513	19,807,323	20,287,949	21,243,769	22,420,200
Expenditures										
Instruction										
Regular Instruction	3,574,805	3,378,617	3,610,939	3,477,279	3,550,580	3,780,796	3,775,511	3,654,064	3,826,107	4,174,506
Special Education Instruction	1,382,603	1,457,311	1,728,620	1,201,181	1,138,509	1,086,501	1,229,124	1,333,481	1,224,444	1,391,097
Other Special Instruction	57,202	61,317	57,491	116,327	107,169	98,497	108,594	105,508	93,306	103,179
School Sponsored/Other Instruction	99,361	84,177	135,092	135,577	105,305	99,063	98,395	106,150	19,586	85,703
Support Services:										
Tuition	4,686,678	4,932,687	5,561,525	5,622,209	5,682,761	5,506,099	5,244,858	4,722,056	5,113,507	5,343,969
Student & Other Instruction Related Services	1,287,415	1,180,265	1,435,512	1,437,073	1,560,465	1,472,075	1,492,294	1,687,617	1,547,653	1,752,459
General Administration Services	353,311	319,113	254,819	253,228	270,865	266,637	290,686	283,734	270,587	278,047
School Administrative Services	195,300	199,815	190,258	147,789	148,287	150,345	173,296	159,455	226,976	248,312
Central Services	233,628	257,992	265,914	284,434	248,073	259,009	269,906	270,542	224,195	200,281
Plant Operations and Maintenance	708,456	922,242	989,678	789,936	713,318	883,713	958,800	917,179	929,670	1,097,901
Student Transportation	889,238	950,546	1,041,389	1,171,935	1,038,953	1,035,926	1,061,351	1,064,202	823,152	1,266,174
Unallocated Benefits	2,645,962	2,577,871	2,650,509	3,055,978	3,262,748	3,525,724	3,864,790	4,047,709	4,568,260	5,080,787
Charter School	54,098	39,914	114,887	112,663	30,554					
Capital Outlay	79,379	16,776	11,540	154,238	98,594		26,579	22,968	178,418	2,250,939
Debt Service:										
Principal	710,000	735,000	765,000	805,000	835,000	870,000				
Interest and Other Charges	196,550	167,750	134,825	100,400	68,200	34,800				
Total Expenditures	17,153,986	17,281,393	18,947,998	18,865,247	18,859,381	19,069,185	18,594,184	18,374,665	19,045,861	23,273,354
Excess/(Deficit) of Revenues										
Over/(Under) Expenditures	299,180	447,390	(480,144)	(154,670)	464,701	955,328	1,213,139	1,913,284	2,197,908	(853,154)
Other Financing Sources/(Uses)										
Cancellation of Prior Years' Accounts Receivable			(135,296)						41,854	(2,315)
Cancellation of Prior Years' Accounts Payable									39,539	
Transfers out										
Total Other Financing Sources/(Uses)										
Net Change in Fund Balances	\$ 299,180	\$ 447,390	\$ (615,440)	\$ (154,670)	\$ 464,701	\$ 955,328	\$ 1,213,139	\$ 1,913,284	\$ 2,237,447	\$ (853,154)
Debt Service as a Percentage of Noncapital Expenditures	5.31%	5.23%	4.75%	4.84%	4.81%	4.74%	0.00%	0.00%	0.00%	0.00%

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 1,724	\$ 104,851	\$ 227,460	\$ 334,035
2014	1,173	113,148	140,689	255,010
2015	1,128	39,336	223,217	263,681
2016	957	39,336	216,199	256,492
2017	115	19,500	143,164	162,779
2018	30	36,975	65,118	102,123
2019	1,876	12,000	80,275	94,151
2020	2,254	13,480	95,477	111,211
2021	1,171	24,177	59,423	84,771
2022	1,324	39,950	94,736	136,010

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2012	\$ 9,690,900	\$ 1,363,832,100	\$ 431,498,229	\$ 486,797,400	\$ 895,000	\$ 2,292,713,629	\$ 7,556,503	\$ 2,300,270,132	\$ 0.648	\$ 2,527,491,629
2013	9,415,400	1,366,659,184	402,026,469	496,501,900	850,000	2,275,452,953	6,571,365	2,282,024,318	0.678	2,516,013,581
2014	9,335,900	1,416,276,000	415,589,991	497,337,300	850,000	2,339,389,191	5,608,436	2,344,997,627	0.682	2,437,746,347
2015	9,417,300	1,452,905,000	424,088,450	494,760,000	850,000	2,382,020,750	5,711,509	2,387,732,259	0.683	2,387,732,259
2016	9,168,000	1,507,478,608	426,653,860	485,381,300	850,000	2,429,531,768	5,783,750	2,435,315,518	0.685	2,466,553,944
2017	9,156,600	1,526,798,000	432,319,180	482,187,500	855,000	2,451,316,280	5,644,089	2,456,960,369	0.702	2,489,910,660
2018	9,201,800	1,538,262,900	412,299,470	485,835,900	855,000	2,446,455,070	5,760,405	2,452,215,475	0.680	2,506,258,990
2019	8,488,300	1,559,650,100	405,594,020	468,322,700	855,000	2,442,910,120	5,688,658	2,448,598,778	0.695	2,497,781,356
2020	8,256,400	1,560,416,200	400,565,120	475,553,900	855,000	2,445,646,620	5,982,746	2,451,629,366	0.708	2,465,836,085
2021	8,176,500	1,575,683,600	399,738,020	470,214,100	880,000	2,454,692,220	6,253,085	2,460,945,305	0.719	2,489,564,480

Source: Municipal Tax Assessor

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

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

b Tax rates are per \$100 of assessed value.

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

Year Ended December 31,	School District of the Township of Bedminster Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Bedminster	County of Somerset	
2012	\$ 0.609	\$ 0.039	\$ 0.648	\$ 0.261	\$ 0.344	\$ 1.25
2013	0.643	0.035	0.678	0.246	0.323	1.25
2014	0.643	0.039	0.682	0.324	0.361	1.37
2015	0.645	0.038	0.683	0.320	0.356	1.36
2016	0.648	0.037	0.685	0.319	0.354	1.36
2017	0.664	0.038	0.702	0.320	0.356	1.38
2018	0.680	-0-	0.680	0.321	0.355	1.36
2019	0.695	-0-	0.695	0.323	0.356	1.37
2020	0.708	-0-	0.708	0.325	0.356	1.39
2021	0.719	-0-	0.719	0.324	0.352	1.40

Note:

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

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

Source: Municipal Tax Collector and School Business Administrator

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2022		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

	2013		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Source: Municipal Tax Assessor

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 14,904,995	\$ 14,904,995	100.00%	\$ -0-
2014	15,460,534	15,459,859	100.00%	-0-
2015	16,003,151	16,003,151	100.00%	-0-
2016	16,294,472	16,294,472	100.00%	-0-
2017	16,685,776	16,685,776	100.00%	-0-
2018	17,244,008	17,244,008	100.00%	-0-
2019	16,682,800	16,682,800	100.00%	-0-
2020	17,015,079	17,015,079	100.00%	-0-
2021	17,355,380	17,355,380	100.00%	-0-
2022	17,702,488	17,702,488	100.00%	-0-

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Bond Anticipation Notes (BANs)	Finance Purchases/Leases	Finance Purchases/Leases				
2013	\$ 4,010,000	\$ -0-	\$ -0-	\$ -0-	\$ 4,010,000	0.62%	\$ 490.64	
2014	3,275,000	-0-	-0-	-0-	3,275,000	0.48%	401.64	
2015	2,510,000	-0-	-0-	-0-	2,510,000	0.37%	307.82	
2016	1,705,000	-0-	-0-	-0-	1,705,000	0.23%	210.49	
2017	870,000	-0-	-0-	-0-	870,000	0.11%	107.77	
2018	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2019	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2020	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2021	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2022	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	

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

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

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 4,010,000	\$ -0-	\$ 4,010,000	0.17%	\$ 490.64
2014	3,275,000	-0-	3,275,000	0.14%	401.64
2015	2,510,000	-0-	2,510,000	0.11%	309.23
2016	1,705,000	-0-	1,705,000	0.07%	210.49
2017	870,000	-0-	870,000	0.04%	107.77
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-
2022	-0-	-0-	-0-	0.00%	-0-

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Bedminster	\$ 2,083,939	100.00%	\$ 2,083,939
County of Somerset - Township's Share: General Obligation Debt	268,745,720	3.90%	<u>10,477,449</u>
Total Direct and Overlapping Debt			<u><u>\$ 12,561,388</u></u>

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 Bedminster. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Somerset County Board of Taxation; debt outstanding data provided by each governmental unit.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2019 \$ 2,463,852,869
	2020 2,491,743,882
	2021 2,504,021,442
	<u>\$ 7,459,618,193</u>
Average Equalized Valuation of Taxable Property	<u>\$ 2,486,539,398</u>
Debt Limit (3% of average equalization value)	\$ 74,596,182 ^a
Net Bonded School Debt	-0-
Legal Debt Margin	<u>\$ 74,596,182</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 77,710,656	\$ 76,005,710	\$ 76,005,710	\$ 74,571,861	\$ 74,531,196
Total Net Debt Applicable to Limit	<u>4,010,000</u>	<u>3,275,000</u>	<u>3,275,000</u>	<u>1,705,000</u>	<u>870,000</u>
Legal Debt Margin	<u>\$ 73,700,656</u>	<u>\$ 72,730,710</u>	<u>\$ 72,730,710</u>	<u>\$ 72,866,861</u>	<u>\$ 73,661,196</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.16%	4.31%	4.31%	2.29%	1.17%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt Limit	\$ 75,274,246	\$ 75,711,649	\$ 75,303,458	\$ 74,842,325	\$ 74,596,182
Total Net Debt Applicable to Limit	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Legal Debt Margin	<u>\$ 75,274,246</u>	<u>\$ 75,711,649</u>	<u>\$ 75,303,458</u>	<u>\$ 74,842,325</u>	<u>\$ 74,596,182</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Town of Bedminster Personal Income ^b	Somerset County Per Capita Personal Income ^c	Unemployment Rate ^d
2013	8,173	\$ 644,579,991	\$ 78,867	4.30%
2014	8,154	679,929,444	83,386	4.30%
2015	8,117	717,534,683	88,399	3.70%
2016	8,100	748,051,200	92,352	4.10%
2017	8,073	800,922,330	99,210	3.50%
2018	8,053	842,504,860	104,620	2.90%
2019	7,995	883,175,670	110,466	2.50%
2020	7,949	896,845,925	112,825	7.00%
2021	8,162	920,877,650 ***	112,825 *	4.10%
2022	8,162 **	920,877,650 ***	112,825 *	N/A

* - Latest Somerset County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest Somerset County personal income available (2020) was used for calculation purposes.

N/A - Not Available

Source:

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

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

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF SOMERSET
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2022		
Employer	Employees	Rank	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

	2013		
Employer	Employees	Rank	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: Somerset County Business Partnership Website

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

UNAUDITED

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	45.0	46.0	46.0	40.6	39.6	42.5	42.5	44.6	43.6	44.6
Special Education	14.0	15.0	15.0	12.9	12.9	13.5	13.5	11.0	11.0	9.7
Other Instruction	11.0	12.0	12.0	7.5	6.8	7.0	7.0	7.0	7.0	6.0
Support Services:										
Student & Instruction Related Services	12.7	12.7	12.7	12.8	12.8	12.8	12.8	12.8	12.8	12.8
School Administrative Services	3.2	3.2	3.2	2.9	2.5	3.0	3.0	3.0	3.0	3.0
General and Business Administrative Services	2.1	2.1	2.1	1.5	1.5	2.0	2.0	2.0	2.0	2.0
Central Services	2.7	2.7	2.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Administration Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1
Plant Operations and Maintenance	8.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Pupil Transportation	1.3	0.8	0.8	0.8	0.5	0.5	0.5	0.5	0.5	0.5
Total	102.0	103.5	103.5	91.5	89.1	93.8	94.8	94.4	93.4	92.2

Source: School District of the Township of Bedminster Personnel Records

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2013	586	\$ 16,168,057	\$ 27,591	4.68%	60	10:1		586	562	-0.51%	95.90%
2014	577	16,361,867	28,357	2.78%	61	9:1		577	549	-1.54%	95.15%
2015	543	18,036,633	33,217	17.14%	57	10:1		543	506	-5.89%	93.19%
2016	527	17,805,609	33,787	1.72%	56	9:1		527	506	-2.95%	96.02%
2017	532	17,857,587	33,567	-0.65%	55	10:1		532	512	0.95%	96.24%
2018	525	18,164,385	34,599	2.40%	56	9:1		524	503	-1.50%	95.99%
2019	516	18,567,605	35,984	7.20%	56	9:1		512	491	-2.29%	95.90%
2020	526	18,351,697	34,889	0.84%	56	9:1		513	490	0.20%	95.52%
2021	496	21,022,415	42,384	17.79%	56	9:1		486	474	-5.26%	97.53%
2022	490	19,098,848	38,977	11.72%	60	8:1		486	453	0.00%	93.21%

Source: District Records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment.
This Cost Per Pupil may be different from other Cost Per Pupil calculations.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary- PreK-8</u>										
Bedminster Township School										
Square Feet	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	586	577	543	527	532	525	516	526	496	490

Number of Schools at June 30, 2022
 Elementary = 1
 (Includes Central Office)

Source: District Facilities Office

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Bedminster</u> <u>Elementary School*</u>	<u>Total</u> <u>School Facilities</u>
2013	\$ 174,663	\$ 174,663
2014	266,405	266,405
2015	399,616	399,616
2016	201,892	201,892
2017	175,441	175,441
2018	223,226	223,226
2019	278,157	278,157
2020	345,182	345,182
2021	307,589	307,589
2022	388,477	388,477

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

Source: District Records

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2022
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Educational Risk Insurance Consortium - North		
(N.J. Schools Insurance Group):		
Package Property & Liability Building & Contents	\$ 35,571,800	\$ 5,000
Computers - Hardware and Software	Included	1,000
Computers - Extra Expense	Included	
Extra Expense	50,000,000	5,000
Boiler and Machinery Property Damage	35,571,800	5,000
General Liability:		
Personal and Advertising Injury Limit	11,000,000	
Each Occurrence Limit	11,000,000	
Employee Benefit Liability:		
Each Claim	11,000,000	1,000
Aggregate	11,000,000	
E&O	11,000,000	5,000
Public Employee Blanket Bond	250,000	1,000
Official Bonds - Selective Insurance Company:		
Alicia M. Schauer - Treasurer of School Monies	200,000	
Eulalia Gillis - Interim School Business Administrator	200,000	

Source: District's Records

SINGLE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bedminster Township School District, in the County of Somerset (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 25, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

October 25, 2022
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Bedminster Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit 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 District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

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

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

Report on Internal Control Over Compliance

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

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

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

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

October 25, 2022
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

Valerie A. Dolan
Licensed Public School Accountant #2526
Certified Public Accountant

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Enterprise Fund: U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster:	Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance at June 30, 2022			
						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Paid to Subrecipients
COVID 19 - Seamless Summer Option	10.555		N/A	7/1/21-6/30/22	\$ 190,862			\$ 175,012	\$ (190,862)	\$ (15,850)		
U.S.D.A. Commodities Program	10.555		N/A	7/1/21-6/30/22	15,063			15,063	(13,541)		\$ 1,522	
U.S.D.A. Commodities Program	10.555		N/A	7/1/20-6/30/21	10,356		\$ 1,325		(1,325)			
COVID 19 - Seamless Summer Option	10.555		N/A	7/1/20-6/30/21	127,235			27,086				
National School Lunch Program	10.555		N/A	7/1/18-6/30/19	28,448		(2,202)			(2,202)		
COVID 19 - Emergency Operational Cost Reimbursement Program	10.555		N/A	7/1/21-6/30/22	5,234			5,234	(5,234)			
Total Child Nutrition Cluster						(29,288)	1,325	222,395	(210,962)	(18,052)	1,522	
Pandemic Electronic Benefit Transfer	10.649		N/A	7/1/21-6/30/22	1,245			1,245	(1,245)			
								1,245	(1,245)			
Total U.S. Department of Agriculture/Enterprise Fund						(29,288)	1,325	223,640	(212,207)	(18,052)	1,522	
Special Revenue Fund: U.S. Department of Treasury: COVID 19 - CARES Emergency Relief	84.425D		CARES024021	3/13/20-9/30/22	50,264			4,663				
Total U.S. Department of Treasury						(4,663)		4,663				
U.S. Department of Education: Passed-through State Department of Education: Special Education Cluster: I.D.E.A. Part B, Basic I.D.E.A. Part B, Preschool COVID 19 - ARP - I.D.E.A. Part B, Basic COVID 19 - ARP - I.D.E.A. Preschool Total Special Education Cluster	84.027A 84.173A 84.027X 84.173X		IDEA024022 IDEA024022 IDEA024022 IDEA024022	7/1/21-9/30/22 7/1/21-9/30/22 7/1/21-9/30/22 7/1/21-9/30/22	168,481 6,713 32,604 2,782			168,481 5,930 32,604 2,782	(168,481) (6,713) (32,604) (2,782)	(783)		
Total Special Education Cluster						(4,663)		209,797	(210,580)	(783)		
Education Stabilization Fund: COVID-19 - CRRSA - ESSER II COVID-19 - CRRSA - Learning Acceleration COVID-19 - CRRSA - Mental Health COVID-19 - ARP - ESSER III COVID-19 - ARP - Accelerated Learning Coaching and Educator Support COVID-19 - ARP - NJTSS Mental Health Support Staffing COVID 19 - Digital Divide Discretionary Grant Total Educational Stabilization Fund	84.425D 84.425D 84.425D 84.425U 84.425U 21.019		N/A N/A N/A N/A N/A S425D200027	3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/24 3/13/20-9/30/24 7/16/20-10/31/20	187,318 25,000 45,000 420,985 60,613 45,000 5,047			96,648 24,961 37,032 84,138 12,989 4,366	(147,490) (24,961) (37,032) (84,138)	(50,842)		
Total Educational Stabilization Fund						(3,921)		260,134	(331,779)	(75,566)		

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance at June 30, 2022		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Paid to Subrecipients
<u>U.S. Department of Education:</u>										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA024022	7/1/21-9/30/22	\$ 46,463			\$ 23,056	\$ (29,659)	\$ (6,603)	
Title II A	84.367A	ESEA024022	7/1/21-9/30/22	14,608			2,094	(3,093)	(999)	
Title IV	84.424	ESEA024022	7/1/21-9/30/22	10,000			5,991	(9,477)	(3,486)	
Title IV	84.424	ESEA024021	7/1/20-9/30/21	10,000			7,675	(521)		
Total Elementary and Secondary Education Act							38,816	(42,750)	(11,088)	
Rural Education Achievement Program	84.358	N/A	7/1/21-9/30/22	37,609			37,609	(37,609)		
Rural Education Achievement Program	84.358	N/A	7/1/20-9/30/21	32,924			32,924			
Total U.S. Department of Education							579,280	(622,718)	(87,437)	
Total Special Revenue Fund							583,943	(622,718)	(87,437)	
Total Federal Financial Awards							\$ 807,583	\$ (834,925)	\$ (105,489)	\$ -0-
N/A - Not Available/Applicable										

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Paid to Grantor	Balance at June 30, 2022		MEMO Cumulative Total Expenditures	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor		
State Department of Education:												
General Fund State Aid:												
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	\$ 217,074	\$ (21,708)	\$	21,708					\$ 217,074	
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	566,452	(56,645)		56,645					566,452	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	66,237	(6,624)		6,624					66,237	
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	312,052	(312,052)		312,052					312,052	
Reimbursement of Nonpublic School												
Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	19,270	(19,270)		19,270					19,270	
Reimbursed TPAF Social Security	21-495-034-5095-002	7/1/20-6/30/21	369,085	(18,641)		18,641					369,085	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	217,074			195,366	\$ (217,074)		\$ (21,708)		217,074	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	682,136			613,923	(682,136)		(68,213)		682,136	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	66,237			59,613	(66,237)		(6,624)		66,237	
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	240,272				(240,272)		(240,272)		240,272	
Reimbursement of Nonpublic School												
Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	20,140				(20,140)		(20,140)		20,140	
Reimbursed TPAF Social Security	22-495-034-5095-002	7/1/21-6/30/22	378,046			359,935	(378,046)		(18,111)		378,046	
TPAF Pension Contributions (non-budgeted)	22-495-034-5094-002	7/1/21-6/30/22	1,818,211			1,818,211	(1,818,211)				1,818,211	
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	22-495-034-5094-001	7/1/21-6/30/22	430,801			430,801	(430,801)				430,801	
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	22-495-034-5094-004	7/1/21-6/30/22	25,652			25,652	(25,652)				25,652	
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	22-495-034-5094-004	7/1/21-6/30/22	562			562	(562)				562	
Total General Fund State Aid			27,639	(434,940)		3,939,003	(3,879,131)		(278,523)		5,429,301	
School Development Authority:												
Securing Our Children's Future Bond Act (Alyssa's Law)	N/A	4/1/20-6/30/24	27,639			27,639	(27,639)				27,639	
Total School Development Authority:			27,639			27,639	(27,639)				27,639	
Total General Fund			3,966,642	(434,940)		3,966,642	(3,906,770)		(278,523)		5,456,940	
Special Revenue Fund:												
Nonpublic Handicapped Services:												
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	6,316	\$ 3,512					\$ 3,512		6,316	
Nonpublic Nursing	20-100-034-5120-070	7/1/19-6/30/20	12,998	2,188					2,188		10,810	
Nonpublic Textbook Aid	21-100-034-5120-070	7/1/20-6/30/21	14,382	10,111				\$ 10,111			4,271	
Nonpublic Security Aid	21-100-034-5120-064	7/1/20-6/30/21	7,086	799				799			6,287	
Nonpublic Handicapped Services:												
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	12,069	5,571				5,571			6,498	
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	1,823	911				911			912	
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	4,047	4,047				4,047				
Nonpublic Auxiliary Services:												
Compensatory Education	21-100-034-5120-066	7/1/20-6/30/21	871	871				871			6,636	
Nonpublic Technology Initiative	22-100-034-5120-373	7/1/21-6/30/22	6,636			6,636	(6,636)				6,325	
Nonpublic Nursing	22-100-034-5120-070	7/1/21-6/30/22	15,680			15,680	(6,325)		9,355		9,482	
Nonpublic Textbook Aid	22-100-034-5120-509	7/1/21-6/30/22	9,482			9,482	(9,482)				24,500	
Nonpublic Security Aid	22-100-034-5120-064	7/1/21-6/30/22	24,500			24,500	(24,500)				10,043	
Nonpublic Handicapped Services:												
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	11,183			11,183	(10,043)		1,140		2,604	
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	2,604			2,604	(2,604)				2,478	
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	3,304			3,304	(2,478)		826			
Nonpublic Auxiliary Services:												
Compensatory Education	22-100-034-5120-066	7/1/21-6/30/22	4,479			4,479	(4,479)		4,479		97,162	
Total Special Revenue Fund			38,383			77,868	(62,068)		21,500			

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance at June 30, 2022			MEMO Cumulative Total Expenditures	
				Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Paid to Grantor	GAAP Accounts Receivable		Due to Grantor
Food Service Fund:											
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	\$ 1,676	\$ (128)		\$ 1,816			\$ (128)	\$ (128)	\$ 1,676
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	5,166	(1,816)	\$ 1,816						5,166
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	4,480		4,115		\$ (4,480)		(365)	(365)	4,480
Total Food Service Fund				(1,944)	5,931		(4,480)		(493)	(493)	11,322
Total State Awards			\$ 38,383	\$ (436,884)	\$ 4,050,441	\$ (3,973,318)	\$ 32,683	\$ 21,500	\$ (375,561)	\$ 5,565,424	
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	\$ (1,818,211)			\$ 1,818,211					
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	(430,801)			430,801					
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	(25,652)			25,652					
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	(562)			562					
Subtotal - On-Behalf TPAF Pension System Contributions						2,275,226					
Total State Awards Subject to Single Audit Determination						\$ (1,698,092)					

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Bedminster Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payment are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$11,568) for the general fund and (\$35,830) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds. Revenue from federal and state awards are reported in the Board’s basic financial statements on a GAAP basis as presented below:

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,895,202	\$ 3,895,202
Special Revenue Fund	\$ 587,648	61,308	648,956
Food Service Fund	212,207	4,480	216,687
Total Awards	<u>\$ 799,855</u>	<u>\$ 3,960,990</u>	<u>\$ 4,760,845</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in *the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

	<u>Assistance Listing / State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/21-6/30/22	\$ 15,063	\$ 13,541
Food Distribution Program	10.555	7/1/20-6/30/21	10,356	1,325
Seamless Summer Option	10.555	7/1/21-6/30/22	190,862	190,862
Emergency Operational Cost Reimbursement Program	10.555	7/1/21-6/30/22	5,234	5,234
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	7/1/21-9/30/22	168,481	168,481
I.D.E.A. Part B, Preschool	84.173A	7/1/21-9/30/22	6,713	6,713
COVID 19 - ARP -				
I.D.E.A. Part B, Basic	84.027X	7/1/21-9/30/22	32,604	32,604
I.D.E.A. Preschool	84.173X	7/1/21-9/30/22	2,782	2,782
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	378,046	378,046

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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Summary of Auditors' Results:

- The threshold for distinguishing Type A and Type B federal and state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for federal programs. The District was determined to be a "low-risk" auditee for state programs.
- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year findings.