

SCHOOL DISTRICT  
OF  
BEVERLY CITY  
OF BURLINGTON COUNTY

Beverly City School District  
Beverly, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

Of the

Beverly City School District  
of Burlington County

Beverly, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

Beverly City Board of Education  
Finance Department

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## INTRODUCTORY SECTION



March 1, 2023

Honorable President and Members  
Beverly City Board of Education  
County of Burlington, New Jersey

Dear Board Members and Citizens:

The comprehensive annual financial report of the Beverly City Board of Education 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 Beverly City Board of Education (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 financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and the NJOMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



1. REPORTING ENTITY AND ITS SERVICES: Beverly City School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K-8.

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through Grade 8) completed the 2022 fiscal year with an enrollment of 329 students.

The following details the changes in the Pre-K-8 student enrollment over the last ten years:

Enrollment, Pre-K-8		
<u>Fiscal Year</u>	<u>Student Enrollment Change</u>	<u>Percent</u>
2021-22	329	3.5%
2020-21	318	.05%
2019-20	317	3.3%
2018-19	307	4.8%
2017-18	293	(3.3%)
2016-17	303	3.1%
2015-16	294	(2.6%)
2014-15	302	4.4%
2013-14	289	(6.2%)
2012-13	308	1.6%

2. ECONOMIC CONDITIONS AND OUTLOOK: The Beverly City area is not experiencing much growth or expansion due to the limited space available for development. The general area surrounding the district provides most of the opportunities for employment for residents. Some new small businesses have opened in Beverly through the restoration of vacant properties. There is some speculation about re-development to the downtown area.

3. MAJOR INITIATIVES: The District engaged in the following initiatives during the 2021-2022 school year:

- Technology Improvements - Hardware & Software
- Curriculum Development
- Community Outreach Program
- Summer Student Services

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

4. INTERNAL ACCOUNTING CONTROLS (Continued): The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: On January 22, 2015, \$1,031,000 of School Bonds was issued for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. The balance of the outstanding debt at June 30, 2022 was \$615,000.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 6. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act

("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry & Company, LLP, was selected by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Beverly City Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the District, thereby contributing their full support to the development and maintenance of the District's financial operation.

Respectfully submitted,



Elizabeth Giacobbe, Ed.D.  
Superintendent of Schools/Principal



Mr. George M Gahles  
School Business Administrator



Brian F. Savage, Ed.D.  
Staff Accountant/Board Secretary

Beverly City School District  
Beverly, New Jersey

Organization Chart  
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

Office Technology Coordinator Staff / Medical Staff / Child Study Team / Board Secretary /  
Business Administrator

Custodian

Food Service

Transportation

Teaching Staff

Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / Pre K-8 Classroom  
Teachers

Pupils

Beverly City School District  
Beverly, New Jersey

Roster of Officials  
June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Wolbert, President	2024
Donato Marable, Vice President	2023
Barbara Kelly	2023
Bob Thibault	2022
Luis Crespo	2022

**OTHER OFFICIALS**

Elizabeth Giacobbe, Superintendent of Schools  
George M. Gahles, School Business Administrator  
Brian F. Savage, Ed.D., Staff Accountant/Board Secretary  
Pablo Canela, Treasurer of School Monies

**Beverly City School District**

**Consultants and Advisors**

**AUDIT FIRM**

Jump, Perry and Company, L.L.P.  
Kathryn Perry, CPA  
12 Lexington Avenue  
Toms River, New Jersey 08753

**ATTORNEY**

David Rubin, P.C.  
44 Bridge Street  
Metuchen, New Jersey 08840

**BOND COUNSEL**

Decotiis, Fitz Patrick & Cole LLP  
500 Frank W. Burr Blvd.  
Teaneck, New Jersey 07666

**OFFICIAL DEPOSITORIES**

WSFS Bank  
500 Delaware Avenue  
Wilmington, DE 19801

## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Beverly City School District:  
County of Burlington  
Beverly, New Jersey

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City School District in the County of Burlington, State of New Jersey as of June 30, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Beverly City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

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

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



## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Beverly City School 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 Beverly City School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Beverly City School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

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

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 March 1, 2023 on our consideration of Beverly City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Beverly City School District 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 Beverly City School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.  
Toms River, New Jersey

  
Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, New Jersey  
March 1, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beverly City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

Unaudited

The discussion and analysis of Beverly City School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

**Financial Highlights**

Key financial highlights for June 30, 2022 are as follows:

Net position totaled \$5,336,091, which represents a 31.55 percent increase from June 30, 2021.

General revenues accounted for \$7,834,669 in revenue or 72.43 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,982,665 or 27.57 percent of total revenues of \$10,817,334.

Total assets increased by \$1,148,197 as current assets increased by \$328,022 and capital assets, net decreased by \$820,175.

The School Board had \$9,537,593 in expenses; only \$2,982,665 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,834,669 were adequate to provide for these programs.

Among major funds, the General Fund had \$8,203,305 in revenues and \$8,185,546 in expenditures and transfers. The General Fund's balance increased 17,759 over June 30, 2021. The General Fund's balance is \$3,510,986.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Beverly City School District, the General Fund is by far the most significant.

## **Reporting the School Board as a Whole**

### **Statement of Net Position and the Statement of Activities**

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

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

**Business-Type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

## **Reporting the School Board's Most Significant Funds**

### **Fund Financial Statement**

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

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

### **Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities.

## The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2022 and 2021.

Table 1

Net Position as of June 30, 2022 and June 30, 2021

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>						
Current and other assets	\$ 3,539,306	\$ 242,946	\$ 3,782,252	\$ 3,313,238	\$ 140,992	\$ 3,454,230
Capital assets, net	<u>3,513,403</u>	<u>4,998</u>	<u>3,518,401</u>	<u>2,692,143</u>	<u>6,083</u>	<u>2,698,226</u>
Total assets	7,052,709	247,944	7,300,653	6,005,381	147,075	6,152,456
Deferred outflow of resources	<u>453,503</u>	<u>-</u>	<u>453,503</u>	<u>552,188</u>	<u>-</u>	<u>552,188</u>
<b>Liabilities:</b>						
Current liabilities	30,820	141,206	172,026	57,590	66,874	124,464
Long-term liabilities outstanding	<u>1,673,120</u>	<u>-</u>	<u>1,673,120</u>	<u>2,011,955</u>	<u>-</u>	<u>2,011,955</u>
Total liabilities	1,703,940	141,206	1,845,146	2,069,545	66,874	2,136,419
Deferred inflow of resources	<u>572,919</u>	<u>-</u>	<u>572,919</u>	<u>511,875</u>	<u>-</u>	<u>511,875</u>
<b>Net position:</b>						
Net investment in capital assets	2,898,403	4,998	2,903,401	1,778,274	6,083	1,784,357
Restricted	3,347,244	-	3,347,244	3,364,191	-	3,364,191
Unrestricted	<u>(1,016,294)</u>	<u>101,740</u>	<u>(914,554)</u>	<u>(1,166,316)</u>	<u>74,118</u>	<u>(1,092,198)</u>
Total Net Position	<u>\$ 5,229,353</u>	<u>\$ 106,738</u>	<u>\$ 5,336,091</u>	<u>\$ 3,976,149</u>	<u>\$ 80,201</u>	<u>\$ 4,056,350</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$5,336,091 on June 30, 2022. This is a change of (31.55)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2022 and 2021.

Table 2

Changes in Net Position

	June 30, 2022			June 30, 2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 8,052	\$ 2,353	\$ 10,405	\$ 4,492	\$ 1,819	\$ 6,311
Operating and capital grants and contributions	2,648,052	324,208	2,972,260	2,190,122	186,229	2,376,351
General revenues:						
Property taxes	3,221,696	-	3,221,696	3,125,946	-	3,125,946
Federal and state aid	4,517,666	-	4,517,666	3,391,499	-	3,391,499
Investment earnings	3,200	-	3,200	6,538	-	6,538
Miscellaneous	92,107	-	92,107	19,796	-	19,796
<b>Total revenues</b>	<b>10,490,773</b>	<b>326,561</b>	<b>10,817,334</b>	<b>8,738,393</b>	<b>188,048</b>	<b>8,926,441</b>
<b>Expenses</b>						
Instructional services	2,948,048	-	2,948,048	2,759,549	-	2,759,549
Support services	6,275,059	300,024	6,575,083	6,283,953	216,142	6,500,095
Interest on long-term liabilities	14,462	-	14,462	18,241	-	18,241
<b>Total expenses</b>	<b>9,237,569</b>	<b>300,024</b>	<b>9,537,593</b>	<b>9,061,743</b>	<b>216,142</b>	<b>9,277,885</b>
Change in net position	1,253,204	26,537	1,279,741	(323,350)	(28,094)	(351,444)
Net position - beginning	3,976,149	80,201	4,056,350	4,289,971	108,295	4,398,266
Prior period adjustment	-	-	-	9,528	-	9,528
Net position - beginning Restated	3,976,149	80,201	4,056,350	4,299,499	108,295	4,407,794
Net position (deficit) - ending	\$ 5,229,353	\$ 106,738	\$ 5,336,091	\$ 3,976,149	\$ 80,201	\$ 4,056,350

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted decreased due to the decrease in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

## Expenses for Fiscal Year June 30, 2022

### Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements for meals.

Total Enterprise Fund revenues exceeded by \$26,537.

Charges for services represent \$2,353 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$324,208.

### Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

#### Governmental Activities

	<u>2022</u>		<u>2021</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 2,948,048	\$ 2,258,420	\$ 2,759,549	\$ 2,134,507
Support Services:				
Pupils and Instructional Staff	5,259,615	3,293,139	4,669,544	3,099,972
General Administration, School Administration, Business Operation and Maintenance of Facilities	654,405	654,405	1,288,644	1,288,644
Pupil Transportation	361,039	361,039	325,765	325,765
Interest and Fiscal Charges	<u>14,462</u>	<u>14,462</u>	<u>18,241</u>	<u>18,241</u>
Total Expenses	<u>\$ 9,237,569</u>	<u>\$ 6,581,465</u>	<u>\$ 9,061,743</u>	<u>\$ 6,867,129</u>

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



## Governmental Activities (cont'd)

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

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

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

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

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

## The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2022, it reported a combined fund balance of \$3,520,477, which is an increase of \$249,106. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2022.

<u>Revenue</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 3,325,055	31.70 %	\$ 168,283	5.33 %
State Sources	5,695,218	54.28	569,635	11.11
Federal Sources	<u>1,470,500</u>	<u>14.02</u>	<u>1,014,462</u>	<u>222.45</u>
Total	<u>\$ 10,490,773</u>	<u>100.00 %</u>	<u>\$ 1,752,380</u>	<u>20.05 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2022.

<u>Expenditures</u>	<u>2022 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 2,948,048	28.79 %	\$ 188,499	6.83 %
Undistributed Expenditures	6,294,125	61.46	137,619	2.24
Capital Outlay	916,300	8.95	894,675	4,137.23
Debt Service:				
Principal	65,000	0.63	-	-
Interest	<u>18,194</u>	<u>0.17</u>	<u>(1,300)</u>	<u>(6.67)</u>
<b>Total</b>	<b>\$ <u>10,241,667</u></b>	<b><u>100.00</u> %</b>	<b>\$ <u>1,219,493</u></b>	<b><u>13.52</u> %</b>

### General Fund Budgeting Highlights

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

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$1,439,596 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$152,810 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance for General Fund items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 24,450
Capital Reserve	2,569,974
Maintenance Reserve	217,460
Tuition Reserve	331,000
Excess Surplus - Current Year	<u>194,869</u>
Total Restricted Fund Balance	<u>\$ 3,337,753</u>

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increasing students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2021-2022 fiscal year and will be used to reduce the local tax levy for the 2023-2024 fiscal year.

**Capital Assets and Debt Administration**

*Capital Assets.* At the end of the fiscal year June 30, 2022, the School Board had \$3,518,401 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2022 and June 30, 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Construction in Progress	901,494	-	-	-	901,494	-
Building and Improvements	2,495,370	2,570,980	-	-	2,495,370	2,570,980
Machinery and Equipment	116,539	121,163	4,998	6,083	121,537	127,246
Total	<u>\$ 3,513,403</u>	<u>\$ 2,692,143</u>	<u>\$ 4,998</u>	<u>\$ 6,083</u>	<u>\$ 3,518,401</u>	<u>\$ 2,698,226</u>

During the current fiscal year, \$12,536 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

*Debt Administration.* The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2022	June 30, 2021
Bonds Payable (net)	\$ 615,000	\$ 680,000
Pension Liability-PERS	896,755	1,170,161
Compensated Absences payable	<u>161,365</u>	<u>161,794</u>
Total long-term liabilities	<u>\$ 1,673,120</u>	<u>\$ 2,011,955</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

## **Economic Factors and Next Year's Budget**

For the 2021-2022 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 68.30% of the School Board's revenue is from federal and state (restricted and not restricted), while 31.70% of total revenue is from local sources.

The \$(1,016,294) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2021-2022 budget was adopted in March 2021 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the City of Beverly for increased aid.

The School Board anticipates a slight increase in enrollment for the 2022-2023 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

## **Contacting the School Board's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Beverly City School District, 601 Bentley Avenue, Beverly, NJ, 08010.

## BASIC FINANCIAL STATEMENTS

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,938,014	\$ 210,018	\$ 3,148,032
Receivables - state	153,052	299	153,351
Receivables - federal	41,105	18,928	60,033
Receivables - other	266,763	-	266,763
Interfund receivable	140,372	-	140,372
Inventories	-	13,701	13,701
Capital assets, non-depreciable	901,494	-	901,494
Capital assets, depreciable, net	2,611,909	4,998	2,616,907
Total assets	<u>7,052,709</u>	<u>247,944</u>	<u>7,300,653</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - PERS	453,503	-	453,503
	<u>453,503</u>	<u>-</u>	<u>453,503</u>
<b>LIABILITIES</b>			
Interfund payable	-	140,372	140,372
Other liabilities	30,820	834	31,654
Unearned revenue	-	-	-
Noncurrent liabilities:			
Due within one year	70,000	-	70,000
Due beyond one year	1,603,120	-	1,603,120
Total liabilities	<u>1,703,940</u>	<u>141,206</u>	<u>1,845,146</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - PERS	572,919	-	572,919
	<u>572,919</u>	<u>-</u>	<u>572,919</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,898,403	4,998	2,903,401
Restricted for:			
Capital projects	2,569,974	-	2,569,974
Debt service	-	-	-
Other purposes	777,270	-	777,270
Unrestricted	(1,016,294)	101,740	(914,554)
Total net position	<u>\$ 5,229,353</u>	<u>\$ 106,738</u>	<u>\$ 5,336,091</u>

BEVERLY CITY SCHOOL DISTRICT  
 Statement of Activities  
 For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
Current:							
Regular instruction	\$ 2,192,388		\$ 689,628	\$ -	\$ (1,502,760)	\$ -	\$ (1,502,760)
Special education instruction	473,697	-	-	-	(473,697)	-	(473,697)
Other special instruction	281,963	-	-	-	(281,963)	-	(281,963)
Support services and undistributed costs:							
Instruction	2,509,671	-	-	-	(2,509,671)	-	(2,509,671)
Attendance and social work	40,227	-	-	-	(40,227)	-	(40,227)
Health services	133,294	-	-	-	(133,294)	-	(133,294)
Other support services	1,210,976	8,052	605,100	-	(597,824)	-	(597,824)
Educational media services	3,806	-	-	-	(3,806)	-	(3,806)
Instruction staff training	8,317	-	-	-	(8,317)	-	(8,317)
General administrative services	208,649	-	-	-	(208,649)	-	(208,649)
School administrative services	21,781	-	-	-	(21,781)	-	(21,781)
Central services	111,715	-	-	-	(111,715)	-	(111,715)
Admin. information technology	23,818	-	-	-	(23,818)	-	(23,818)
Allowed maintenance for school facilities	85,098	-	-	-	(85,098)	-	(85,098)
Other operation & maintenance of plant	471,472	-	-	-	(471,472)	-	(471,472)
Student transportation services	361,039	-	-	-	(361,039)	-	(361,039)
Unallocated employee benefits	(268,128)	-	-	-	268,128	-	268,128
Non-budgeted expenses	1,353,324	-	1,353,324	-	-	-	-
Interest expense	14,462	-	-	-	(14,462)	-	(14,462)
Total governmental activities	9,237,569	8,052	2,648,052	-	(6,581,465)	-	(6,581,465)
<b>Business-type activities:</b>							
Enterprise fund	300,024	2,353	324,208	-	-	26,537	26,537
Total business-type activities	300,024	2,353	324,208	-	-	26,537	26,537
Total primary government	\$ 9,537,593	\$ 10,405	\$ 2,972,260	\$ -	\$ (6,581,465)	\$ 26,537	\$ (6,554,928)
<b>General revenues:</b>							
Taxes:							
Property taxes levied for general purpose					\$ 3,138,502	\$ -	\$ 3,138,502
Taxes levied for debt service					83,194	-	83,194
Federal and state aid not restricted					4,517,666	-	4,517,666
Miscellaneous income					92,107	-	92,107
Investment earnings					3,200	-	3,200
Total general revenues					7,834,669	-	7,834,669
<b>Change in net position</b>					1,253,204	26,537	1,279,741
<b>Net position—July 1</b>					3,976,149	80,201	4,056,350
<b>Net position—ending</b>					\$ 5,229,353	\$ 106,738	\$ 5,336,091

**BEVERLY CITY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,969,628	\$ (31,614)	\$ -	\$ -	\$ 2,938,014
Interfund receivable	140,372	-	-	-	140,372
Receivables from federal	-	41,105	-	-	41,105
Receivables from State	153,052	-	-	-	153,052
Other receivables	266,763	-	-	-	266,763
Total assets	<u>3,529,815</u>	<u>9,491</u>	<u>-</u>	<u>-</u>	<u>3,539,306</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	-	-	-
Payroll deductions and withholdings payable	18,829	-	-	-	18,829
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Total liabilities	<u>18,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,829</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	194,869	-	-	-	194,869
Excess surplus - prior year- designated for Subsequent year's expenditures	24,450	-	-	-	24,450
Capital reserve account	2,569,974	-	-	-	2,569,974
Maintenance reserve account	217,460	-	-	-	217,460
Tuition reserve account	331,000	-	-	-	331,000
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Student Activities	-	9,491	-	-	9,491
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent year's expenditures	176,115	-	-	-	176,115
Unassigned:					
General fund	(2,882)	-	-	-	(2,882)
Total fund balances	<u>3,510,986</u>	<u>9,491</u>	<u>-</u>	<u>-</u>	<u>3,520,477</u>
Total liabilities and fund balances	<u>\$ 3,529,815</u>	<u>\$ 9,491</u>	<u>\$ -</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net position(A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,257,265 and the accumulated depreciation is \$1,743,862.	3,513,403
Deferred outflows related to the PERS pension plan	453,503
Deferred inflows related to the PERS pension plan	(572,919)
Bond premium received upon issuance of debt.	(6,360)
Accrued interest for the interest due this year but not paid until next year.	(5,631)
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	<u>(1,673,120)</u>
Net position of governmental activities	<u>\$ 5,229,353</u>



**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 3,138,502	\$ -	\$ -	\$ 83,194	\$ 3,221,696
Tuition charges	-	-	-	-	-
Interest on investments	772	-	-	-	772
Interest earned on capital reserve funds	2,160	-	-	-	2,160
Interest earned on maintenance reserve funds	268	-	-	-	268
Miscellaneous	92,107	8,052	-	-	100,159
Total - local sources	3,233,809	8,052	-	83,194	3,325,055
State sources	4,949,135	746,083	-	-	5,695,218
Federal sources	20,361	1,450,139	-	-	1,470,500
Total revenues	8,203,305	2,204,274	-	83,194	10,490,773
<b>EXPENDITURES</b>					
Current:					
Regular instruction	1,502,760	689,628	-	-	2,192,388
Special education instruction	473,697	-	-	-	473,697
Other special instruction	268,903	-	-	-	268,903
School sponsored/other instructional	13,060	-	-	-	13,060
Undistributed - current:					
Instruction	2,509,671	-	-	-	2,509,671
Attendance and social work services	40,227	-	-	-	40,227
Health services	133,294	-	-	-	133,294
Other support services	595,302	615,674	-	-	1,210,976
Educational media services	3,806	-	-	-	3,806
Instruction staff training	8,317	-	-	-	8,317
General administrative services	208,649	-	-	-	208,649
School administrative services	21,781	-	-	-	21,781
Central services	111,715	-	-	-	111,715
Admin. info. technology	23,818	-	-	-	23,818
Allowed maintenance for school facilities	85,098	-	-	-	85,098
Other operation & maintenance of plant	376,432	-	-	-	376,432
Student transportation services	361,039	-	-	-	361,039
Unallocated employee benefits	(154,022)	-	-	-	(154,022)
Non-budgeted expenditures	1,353,324	-	-	-	1,353,324
Debt service:					
Principal	-	-	-	65,000	65,000
Interest and other charges	-	-	-	18,194	18,194
Capital outlay	14,806	901,494	-	-	916,300
Total expenditures	7,951,677	2,206,796	-	83,194	10,241,667
Excess (deficiency) of revenues over expenditures	251,628	(2,522)	-	-	249,106
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-
Transfer to Special Revenue Fund - ECPA	-	-	-	-	-
Transfers in	-	-	233,869	-	233,869
Transfers out	(233,869)	-	-	-	(233,869)
Total other financing sources and uses	(233,869)	-	233,869	-	-
Net change in fund balances	17,759	(2,522)	233,869	-	249,106
Fund balance—July 1	3,493,227	12,013	(233,869)	-	3,271,371
Fund balance—June 30	\$ 3,510,986	\$ 9,491	\$ -	\$ -	\$ 3,520,477

**BEVERLY CITY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2022**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		<b>\$</b>	<b>249,106</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>			
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>			
	Depreciation expense	(92,770)	
	Capital outlays	914,030	821,260
<p>In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey</p>			
			113,677
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>			
			65,000
<p>In the statement of activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed.</p>			
			-
<p>Payment of a long-term liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>			
			3,318
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was increased.</p>			
			843
<b>Change in net position of governmental activities</b>		<b>\$</b>	<b>1,253,204</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<u>Food Service</u>	<u>Total</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 210,018	\$ 210,018
Investments	-	-
Interfund receivable	-	-
Receivable from state	299	299
Receivable from federal	18,928	18,928
Inventories	13,701	13,701
Total current assets	<u>242,946</u>	<u>242,946</u>
Noncurrent assets:		
Furniture, machinery and equipment	73,226	73,226
Less accumulated depreciation	<u>(68,228)</u>	<u>(68,228)</u>
Total noncurrent assets	4,998	4,998
Total assets	<u>247,944</u>	<u>247,944</u>
<b>LIABILITIES</b>		
Current liabilities:		
Deferred revenue	834	834
Interfund payable	140,372	140,372
Compensated absences	-	-
Total current liabilities	<u>141,206</u>	<u>141,206</u>
<b>NET POSITION</b>		
Investment in capital assets	4,998	4,998
Unrestricted	101,740	101,740
Total net position	<u>106,738</u>	<u>106,738</u>
Total liabilities and net position	<u>\$ 247,944</u>	<u>\$ 247,944</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Food Service</b>	<b>Total</b>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ -	\$ -
Daily sales - non-reimbursable programs	2,353	2,353
Total operating revenues	2,353	2,353
 Operating expenses:		
Cost of sales - reimbursement programs	114,743	114,743
Cost of sales - non-reimbursement programs	-	-
Salaries	72,954	72,954
Employee benefits	21,458	21,458
Purchased property service	10,000	10,000
Management fee	19,458	19,458
Cleaning, repair and maintenance services	29,879	29,879
Utilities	20,000	20,000
General supplies	10,447	10,447
Depreciation	1,085	1,085
Total Operating Expenses	300,024	300,024
Operating income (loss)	(297,671)	(297,671)
 Nonoperating revenues (expenses):		
State sources:		
State school lunch program	4,554	4,554
Federal sources:		
National school lunch program	-	-
National school breakfast program	-	-
Summer Food Service Program For Children	279,194	279,194
P-EBT Admin Cost Reimbursement	1,242	1,242
Emergency Operational Cost Program - Schools	4,915	4,915
Food distribution program	34,303	34,303
Total nonoperating revenues (expenses)	324,208	324,208
Change in net position	26,537	26,537
 Total net position—beginning	80,201	80,201
Total net position—ending	\$ 106,738	\$ 106,738

**BEVERLY CITY SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Food Service</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 2,313	\$ 2,313
Payments to employees	(72,954)	(72,954)
Payments for employee benefits	(21,458)	(21,458)
Payments to suppliers	(99,494)	(99,494)
Net cash provided by (used in) operating activities	(191,593)	(191,593)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State sources	4,958	4,958
Federal sources	293,963	293,963
Interest income	-	-
Net cash provided by (used in) non-capital financing activities	298,921	298,921
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	-	-
Net cash used in investing activities	-	-
Net increase (decrease) in cash and cash equivalents	107,328	107,328
Balances—beginning of year	102,690	102,690
Balances—end of year	\$ 210,018	\$ 210,018
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ (297,671)	\$ (297,671)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,085	1,085
Federal commodities	34,303	34,303
(Increase) decrease in interfund receivable, net	-	-
(Increase) decrease in accounts receivable, net	-	-
(Increase) decrease in inventories	(3,642)	(3,642)
(Increase) decrease in other current assets	-	-
Increase (decrease) in Unearned Revenues	(40)	(40)
Increase (decrease) in interfund payable	74,372	74,372
Total adjustments	106,078	106,078
Net cash provided by (used in) operating activities	\$ (191,593)	\$ (191,593)

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The Beverly City School District is a Type II district located in the county of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Beverly City School District had an approximate enrollment of 334 students at June 30, 2022.

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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary/junior high school located in Beverly. 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**

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation (cont'd):**

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund. 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.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation (Cont'd):**

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for all proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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



Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**B. Basis of Presentation (Cont'd):**

The District reports the following proprietary funds:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund and School Age Childcare.

Depreciation of all capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

**C. Basis of Accounting**

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

**District-Wide, Proprietary, and Fiduciary Fund Financial Statements:** The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**C. Basis of Accounting (Cont'd)**

**Governmental Fund Financial Statements:** Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**D. Property Taxes**

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies (Cont'd)**

**E. 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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

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

**F. Encumbrances**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

**G. Cash, Cash Equivalents and Investments**

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**G. Cash, Cash Equivalents and Investments (Cont'd)**

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

**H. Interfund Transactions**

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

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

**I. Inventories**

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

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

**J. Deferred Outflows/Inflows of Resources**

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

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Cont'd)

K. Capital Assets

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	7-60 years
Machinery and Equipment	3-20 years
Infrastructure	30 years

L. Compensated Absences

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board. 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 the employee is accrued as the employees earn the rights to the benefits.

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

In the District-wide Statement of 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.

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 Food Service Fund.

M. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2022 operations, have been recorded as unearned revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies (Cont'd)**

**N. Accrued Liabilities and Long-Term Obligations**

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

**O. Net Position**

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

**P. Fund Balance Reserves**

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. Unassigned - includes all spendable amounts not contained in the other classifications

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies (Cont'd)**

**Q. Revenues - Exchange and Nonexchange Transactions**

Revenue resulting from Exchange Transactions, in which each party gives and receives essentially equal value, is recorded on the actual 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.

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange 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 available as an advance, interest, and tuition.

**R. Operating Revenues and Expenses**

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

**S. Allocation of Indirect Expenses**

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

1. **Summary of Significant Accounting Policies (Cont'd)**

**T. Extraordinary and Special Items**

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

**U. Management Estimates**

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

**V. Change in Accounting Principles**

On June 30, 2022, the District implemented the Governmental Accounting Standards Boards (GASB) Statement No 87, Leases. GASB Statement 87 enhances the relevance and consistency of information of the district's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were reviewed for the District's June 30, 2022 financial statements and had no effect on the beginning net position of the District. The District did not have any leases that rose to an amount that required disclosure. The District will review new leases annually to determine proper disclosure.

**W. GASB Pronouncements**

**Recently Issued Accounting Pronouncements to be implemented in future years**

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.



Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

1. Summary of Significant Accounting Policies (Cont'd)

W. GASB Pronouncements (Cont'd)

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

2. Capital Reserve Account

A Capital Reserve Account was established by the Beverly City School District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the July 01, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance July 01, 2021	\$ 2,477,814
Add: Increase per Resolution	90,000
Interest Earned	2,160
Less: Withdrawals	-
Ending balance, June 30, 2022	<u>\$ 2,569,974</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**3. Maintenance Reserve Account**

A maintenance Reserve Account was established by the Beverly City School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance 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. The District may also appropriate additional amounts during the school year through a Board Resolution. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2022.

The activity of the Maintenance Reserve for the July 01, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 01, 2021	\$	307,192
Add: Increase per Resolution		-
Interest Earned		268
Less: Withdrawals		(90,000)
Ending balance, June 30, 2022	\$	<u>217,460</u>

**4. 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. 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 reserved and budgeted for tax relief.

The activity of the Tuition Reserve for the July 01, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 01, 2021	\$	331,000
Add: Increase per Resolution		191,000
Less: Withdrawal		(191,000)
Ending balance, June 30, 2022	\$	<u>331,000</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**5. Transfers to Capital Outlay**

During the year ending June 30, 2022, the District did not transfer funds to the Capital Outlay Account.

**6. Cash, Cash Equivalents and Investments**

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District's bank balance of \$3,764,403 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 3,681,034
Uninsured and Uncollateralized	<u>83,369</u>
	<u>\$ 3,764,403</u>

**7. Receivables**

Receivables at June 30, 2022, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
Property Taxes	\$ 266,763	\$ 266,763
State Aid	153,052	153,351
Federal Aid	41,105	60,033
Interfunds	<u>140,372</u>	<u>65,372</u>
	601,292	545,519
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 601,292</u>	<u>\$ 545,519</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**8. Capital Assets**

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Construction in Progress	\$ -	\$ 901,494	\$ -	\$ 901,494
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>901,494</u>	<u>-</u>	<u>901,494</u>
Capital Assets Being Depreciated				
Site Improvements	\$ 84,750	-	-	\$ 84,750
Building and Building Improvements	3,780,455	-	-	3,780,455
Machinery and Equipment	<u>478,030</u>	<u>12,536</u>	<u>-</u>	<u>490,566</u>
Totals at Historical Cost	<u>4,343,235</u>	<u>12,536</u>	<u>-</u>	<u>4,355,771</u>
Less Accumulated Depreciation for:				
Site Improvements	(84,750)	-	-	(84,750)
Building and Building Improvements	(1,209,475)	(75,610)	-	(1,285,085)
Machinery and Equipment	<u>(356,867)</u>	<u>(17,160)</u>	<u>-</u>	<u>(374,027)</u>
Total Accumulated Depreciation	<u>(1,651,092)</u>	<u>(92,770)</u>	<u>-</u>	<u>(1,743,862)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,692,143</u>	<u>(80,234)</u>	<u>-</u>	<u>2,611,909</u>
Government Activity Capital Assets, Net	<u>\$ 2,692,143</u>	<u>\$ 821,260</u>	<u>\$ -</u>	<u>\$ 3,513,403</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ -	\$ -	\$ -	\$ -
Equipment	73,226	-	-	73,226
Less Accumulated Depreciation	<u>(67,143)</u>	<u>(1,085)</u>	<u>-</u>	<u>(68,228)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 6,083</u>	<u>\$ (1,085)</u>	<u>\$ -</u>	<u>\$ 4,998</u>

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Other operation and maintenance of plant	\$ <u>92,770</u>
Total	\$ <u><u>92,770</u></u>

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**9. Interfund Balances and Transfers**

Balances due to/from other funds at June 30, 2022 consist of the following:

	Due to General Fund from Enterprise Fund representing cash advance.	
\$ <u>140,372</u>		
\$ <u>140,372</u>		

**10. Inventory**

As of June 30, 2022, the District had the following inventory:

Food	\$ 10,634
Supplies	<u>3,067</u>
	<u>\$ 13,701</u>

**11. Long-Term Obligations**

**A. Long-Term Obligation Activity**

Changes in Long-Term Obligations for the year ended June 30, 2022, are as follows:

	<u>Balance July 01, 2021</u>	<u>Increases/ Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 161,794	\$ (429)	\$ 161,365	\$ -
Bonds Payable	680,000	(65,000)	615,000	70,000
Pension liability - PERS	<u>1,170,161</u>	<u>(273,406)</u>	<u>896,755</u>	<u>-</u>
	<u>\$ 2,011,955</u>	<u>\$ (338,835)</u>	<u>\$ 1,673,120</u>	<u>\$ 70,000</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences payable and pension liability - PERS are liquidated by the general fund.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**11. Long-Term Obligations (continued)**

**B. Unfunded Pension Liability**

The School District approved an "Early Retirement Incentive Program" permitted by State Legislation during 1993 for certain members of the Teachers Pension and Annuity Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1994 to be eligible. The District selected a thirty-year payment program and is assessed annually by the State Division of Pensions for their contribution to fund this program.

**C. Debt Service Requirements**

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

2015 School Bonds

On September 30, 2014, the voters approved a referendum authorizing the issuance of \$1,031,000 in bonds for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. On January 22, 2015, \$1,031,000 of School Bonds were issued. The Bonds mature annually on March 1 of each year from March 2016 and ending 2030. Interest is payable semi-annually at 2.0%-3.125%.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**11. Long-Term Obligations (continued)**

**C. Debt Service Requirements (continued)**

Redemption

The Bonds are not subject to redemption prior to their stated maturities.

Debt Service Requirements on serial bonds payable at June 30, 2022 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 70,000	\$ 16,427	\$ 86,427
2024	70,000	14,969	84,969
2025	70,000	13,365	83,365
2026	75,000	11,506	86,506
2027	80,000	9,206	89,206
2028-2030	<u>250,000</u>	<u>12,934</u>	<u>262,934</u>
	<u>\$ 615,000</u>	<u>\$ 78,407</u>	<u>\$ 693,407</u>

**D. Bonds Authorized But Not Issued**

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

**E. Capital Leases**

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

**12. Operating Leases**

As of June 30, 2022, the District had various operating leases.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans

**A. Public Employees' Retirement System (PERS)**

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

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

The following represents the membership tiers for PERS:

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

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



Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

**Contributions** - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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 such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2022, the School District reported a liability of \$896,755 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2021, was .0075697867%, which was a increase of .0003941359% from its proportion measured as of June 30, 2020.

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$73,778 in the government-wide financial statements consisting of employer contributions of \$88,651 and non-employer contributions of \$(14,873). This pension expense was based on the pension plans June 30, 2021 measurement date. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,143	\$ 6,420
Changes of assumptions	4,670	319,250
Net difference between projected and actual earnings on pension plan investments	-	236,229
Changes in proportion and differences between District contributions and proportionate share of contributions	344,951	11,020
District contributions subsequent to the measurement date	<u>89,739</u>	<u>-</u>
Total	<u>\$ 453,503</u>	<u>\$ 572,919</u>

\$89,739 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2021--2022 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (81,490)
2023	(58,183)
2024	(39,672)
2025	(29,821)
2026	12
Thereafter	-
Total	<u>\$ (209,154)</u>

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.63
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years for the 2021, 2020, 2019, 2018, 2017, and 2016 amounts, respectively.

**Actuarial Assumptions** - The collective 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, 2020. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% -7.00% Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 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 Markets 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 Mitigation Strategies	3.00 %	3.35 %

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**A. Public Employees' Retirement System (PERS) (cont'd)**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	1,234,216	896,755	628,043

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/22</u>	<u>6/30/21</u>
Collective Deferred Outflows of Resources	1,164,738,169	2,347,583,337
Collective Deferred Inflows of Resources	8,339,123,762	7,849,949,467
Collective Net Pension Liability	11,972,782,878	16,435,616,426
School District's Portion	.0075697867%	.0071756507%

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF)**

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

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

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

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

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

**Contributions** - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2021 was \$-. The School District's proportionate share was \$0.

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 State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was .0215915254%, which was an decrease of .000210778% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$639,581 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2021 measurement date.



Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

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

The actuarial assumptions used in the July 1, 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 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:

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00 %	8.09 %
Non-U.S. Developed Markets 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 Mitigation 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 will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's proportionate share of the net pension liability	12,304,668	10,380,167	8,799,780

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

13. Pension Plans (cont'd)

**B. Teachers' Pension and Annuity (TPAF) (cont'd)**

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

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/22</u>	<u>6/30/21</u>
Collective Deferred Outflows of Resources	6,373,530,834	9,626,548,228
Collective Deferred Inflows of Resources	27,363,797,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
School District's Portion	.0215915254%	.0218023034%

**C. Defined Contribution Retirement Plan (DCRP)**

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2022 were \$14,603. There was no liability for unpaid contributions at June 30, 2022.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the School District.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**14. Post-Retirement Benefits**

**General Information about the OPEB Plan**

**Plan description and benefits provided**

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

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

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

**Basis of Presentation**

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

Beverly City School District  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**14. Post-Retirement Benefits (cont'd)**

**General Information about the OPEB Plan (cont'd)**

**Employees covered by benefit terms**

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	150,427
Active plan members	<u>213,901</u>
Total	<u><u>364,328</u></u>

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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%
Salary Increases through 2026		PERS 2.00%-6.00% PFRS 3.25%-15.25%
		TPAF 1.55%-4.45%
Thereafter		PERS 3.00%-7.00% PFRS N/A
		TPAF 2.75%-5.65%
Discount Rate		2.16%
Healthcare Cost Trend Rates		4.5%-5.6%
Retirees' Share of Benefit Related Costs		1.5% of projected health insurance premiums for retirees

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

14. Post-Retirement Benefits (cont'd)

**Total Nonemployer OPEB Liability (cont'd)**

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

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

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

Balance at June 30, 2020	\$ 67,809,962,608
Changes for the year:	
Service cost	3,217,184,264
Interest on the total OPEB liability	1,556,661,679
Changes of benefit terms	(63,870,842)
Differences between expected and actual experiences	(11,385,071,658)
Changes in assumptions	59,202,105
Gross benefit payments by the state	(1,226,213,382)
Contributions from members	<u>39,796,196</u>
Net changes	<u>(7,802,311,638)</u>
Balance at June 30, 2021	<u>\$ 60,007,650,970</u>

**Discount rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

14. Post-Retirement Benefits (cont'd)

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability of the State for School Retirees	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138
Total OPEB Liability of the State Associated with the School District for School Retirees	\$23,465,555	\$11,860,695	\$10,012,923

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantagetrend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Sensitivity of the total OPEB liability to changes in the health care cost trend rates**

The following presents the June 30, 2021 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782
Total OPEB Liability of the State Associated with the School District for School Retirees	\$9,601,271	\$11,860,695	\$14,894,935

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

14. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2022, the board of education recognized OPEB expense of \$217,888 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Beverly City School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions	10,179,536,966	6,438,261,807
Contributions made in fiscal year ending 2021 after June 30, 2020 measurement date	-	-
Total	<u>\$19,225,423,829</u>	<u>\$ 24,447,624,783</u>

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

Year ended June 30:	
2022	\$ (1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	<u>348,612,410</u>
Total	<u>\$ (5,221,200,954)</u>



Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**15. Deferred Compensation**

The Board offers its employees a choice of 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:

Lincoln Investments  
VOYA 403b

AXA Equitable  
Teachers Pension/WCC

**16. Risk Management**

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

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

**17. Contingent Liabilities**

**Grant Programs**

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

**18. Fund Balances**

General Fund - of the \$3,510,986 General Fund balance at June 30, 2022, \$2,569,974 is restricted for capital reserve, \$217,460 is restricted for maintenance reserve, \$331,000 is restricted for tuition reserve, \$194,869 is restricted for excess surplus, \$24,450 is restricted for excess surplus for subsequent year expenditures, \$176,115 has been classified as assigned fund balance designated for subsequent year expenditures, and \$(2,882) is unassigned.

Special Revenue Fund - of the \$9,491 Special Revenue Fund balance at June 30, 2022, \$9,491 is restricted for the use of student activities.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2022

**19. Calculation of Excess Surplus**

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$194,869. The excess surplus at June 30, 2021 was \$24,450.

**20. Uncertain Tax Positions**

The school district had no unrecognized tax benefits at June 30, 2022. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open years prior to June 30, 2019.

**21. Subsequent Events**

Management has evaluated subsequent events through March 1, 2023, the date the financial statements were available to be issued.

**22. Tax Abatement**

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

**23. Economic Dependency**

Economic Dependency - The School District 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, could have an effect on the School District's programs and activities.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
<b>Local sources:</b>					
Local tax levy	\$ 3,201,126	\$ -	\$ 3,201,126	\$ 3,138,502	\$ (62,624)
Tuition - residents	-	-	-	-	-
Interest	-	-	-	772	772
Interest earned on maintenance reserve	100	(100)	-	268	268
Interest earned on capital reserve funds	100	(100)	-	2,160	2,160
Miscellaneous	2,000	-	2,000	92,107	90,107
<b>Total - local sources</b>	<b>3,203,326</b>	<b>(200)</b>	<b>3,203,126</b>	<b>3,233,809</b>	<b>30,683</b>
<b>State sources:</b>					
Transportation aid	193,173	-	193,173	193,173	-
Special education aid	182,606	-	182,606	182,606	-
Equalization aid	3,201,807	-	3,201,807	3,201,807	-
Categorical security	105,269	-	105,269	105,269	-
Adjustment aid	758,309	-	758,309	758,309	-
Extraordinary aid	35,000	-	35,000	146,092	111,092
Non-public transportation	-	-	-	6,960	6,960
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	550	550
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	217,888	217,888
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	932,579	932,579
TPAF social security (reimbursed - Non-budgeted)	-	-	-	202,307	202,307
<b>Total state sources</b>	<b>4,476,164</b>	<b>-</b>	<b>4,476,164</b>	<b>5,947,540</b>	<b>1,471,376</b>
<b>Federal Sources</b>					
Impact Aid	-	-	-	9,570	9,570
Medicaid reimbursement	16,286	-	16,286	10,791	(5,495)
<b>Total Federal Sources</b>	<b>16,286</b>	<b>-</b>	<b>16,286</b>	<b>20,361</b>	<b>4,075</b>
<b>Total revenues</b>	<b>7,695,776</b>	<b>(200)</b>	<b>7,695,576</b>	<b>9,201,710</b>	<b>1,506,134</b>
<b>EXPENDITURES:</b>					
<b>Current Expenditures:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of teachers	141,178	(2,220)	138,958	135,931	3,027
Local Contrib. - Trans to Special Rev- Inclusion	53,812	(53,812)	-	-	-
Grades 1-5 - Salaries of teachers	703,169	(82,800)	620,369	615,345	5,024
Grades 6-8 - Salaries of teachers	448,617	(79,300)	369,317	359,754	9,563
<b>Regular Programs - Home Instruction:</b>					
Salaries of teachers	3,000	11,110	14,110	14,040	70
Purchased professional-educational services	3,000	(3,000)	-	-	-
<b>Regular Programs - Undistributed Instruction</b>					
Other salaries for instruction	242,873	(39,031)	203,842	198,750	5,092
Purchased professional-educational services	40,000	(39,021)	979	-	979
Purchased technical services	60,000	11,500	71,500	71,417	83
Other purchased services (400-500 series)	40,000	(3,000)	37,000	35,442	1,558
General supplies	70,000	(3,190)	66,810	61,275	5,535
Textbooks	35,000	(24,000)	11,000	10,806	194
Other objects - misc. exp.	6,000	(6,000)	-	-	-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,846,649</b>	<b>(312,764)</b>	<b>1,533,885</b>	<b>1,502,760</b>	<b>31,125</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of teachers	123,468	72,500	195,968	194,252	1,716
Other salaries for instruction	-	82,150	82,150	82,077	73
General supplies	1,000	(1,000)	-	-	-
<b>Total Learning and/or Language Disabilities</b>	<b>124,468</b>	<b>153,650</b>	<b>278,118</b>	<b>276,329</b>	<b>1,789</b>
<b>Resource Room/Resource Center:</b>					
Salaries of teachers	234,408	(40,028)	194,380	193,288	1,092
Other salaries for instruction	-	4,100	4,100	4,080	20
General supplies	3,800	(3,800)	-	-	-
<b>Total Resource Room/Resource Center</b>	<b>238,208</b>	<b>(39,728)</b>	<b>198,480</b>	<b>197,368</b>	<b>1,112</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>362,676</b>	<b>113,922</b>	<b>476,598</b>	<b>473,697</b>	<b>2,901</b>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of teachers	79,887	127,151	207,038	206,163	875
<b>Total Basic Skills/Remedial - Instruction</b>	<b>79,887</b>	<b>127,151</b>	<b>207,038</b>	<b>206,163</b>	<b>875</b>
<b>Bilingual Education - Instruction</b>					
Salaries of teachers	62,740	-	62,740	62,740	-
<b>Total Bilingual Education - Instruction</b>	<b>62,740</b>	<b>-</b>	<b>62,740</b>	<b>62,740</b>	<b>-</b>

**BEVERLY CITY SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>School Sponsored Co-curricular-Instruction</b>					
Salaries	\$ 10,000	\$ (3,700)	\$ 6,300	\$ 4,746	\$ 1,554
Purchased Services (300-500) Series	3,000	1,500	4,500	4,464	36
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total School Sponsored Co-curricular-Instruction</b>	<u>13,000</u>	<u>(2,200)</u>	<u>10,800</u>	<u>9,210</u>	<u>1,590</u>
<b>School-Spon. Athletics - Instruction</b>					
Salaries	5,000	-	5,000	2,352	2,648
Supplies and materials	4,000	-	4,000	1,498	2,502
<b>Total School-Spon. Athletics - Instruction</b>	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>3,850</u>	<u>5,150</u>
<b>Total Instruction</b>	<u>2,373,952</u>	<u>(73,891)</u>	<u>2,300,061</u>	<u>2,258,420</u>	<u>41,641</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to other LEAs within the state-regular	783,776	3,002	786,778	782,687	4,091
Tuition to other LEAs within the state - special	399,597	19,198	418,795	338,913	79,882
Tuition to County Voc. School Dist-regular	190,111	-	190,111	190,111	-
Tuition to CSSD & Reg. Day Schools	918,504	282,295	1,200,799	1,158,489	42,310
Tuition to private schools for the disabled - Within state	109,605	(36,595)	73,010	34,971	38,039
Tuition - State Facilities	4,500	27	4,527	4,500	27
<b>Total Undistributed Expenditures - Instruction:</b>	<u>2,406,093</u>	<u>267,927</u>	<u>2,674,020</u>	<u>2,509,671</u>	<u>164,349</u>
<b>Undist. Expend. - Attend &amp; Social Work</b>					
Salaries	31,874	6,550	38,424	38,389	35
Purchased professional and technical services	2,000	-	2,000	1,838	162
<b>Total Undistributed Expenditures - Attend &amp; Social Work</b>	<u>33,874</u>	<u>6,550</u>	<u>40,424</u>	<u>40,227</u>	<u>197</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	88,635	13,700	102,335	97,081	5,254
Purchased professional and technical services	3,000	47,900	50,900	34,793	16,107
Supplies and materials	2,500	(1,000)	1,500	1,420	80
Other objects	500	-	500	-	500
<b>Total Undistributed Expenditures - Health Services</b>	<u>94,635</u>	<u>60,600</u>	<u>155,235</u>	<u>133,294</u>	<u>21,941</u>
<b>Undist. Expend. - Speech Services</b>					
Salaries	67,998	(6,700)	61,298	61,198	100
Purchased professional - educational services	70,000	23,700	93,700	87,971	5,729
Supplies and materials	2,000	(2,000)	-	-	-
<b>Total Undist. Expend.-Speech Svcs</b>	<u>139,998</u>	<u>15,000</u>	<u>154,998</u>	<u>149,169</u>	<u>5,829</u>
<b>Undist. Expend. - Other Support Services - Students - Extraordinary Services</b>					
Salaries	18,978	2,025	21,003	19,791	1,212
Purchased professional - educational services	8,000	(7,025)	975	-	975
<b>Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs</b>	<u>26,978</u>	<u>(5,000)</u>	<u>21,978</u>	<u>19,791</u>	<u>2,187</u>
<b>Undist. Expend. - Other Support Services Students-Regular</b>					
Salaries of secretarial and clerical assistants	15,113	70	15,183	12,588	2,595
Purchased professional - educational services	7,500	120	7,620	7,616	4
<b>Total Undist. Expend. - Other Support Services - Students-Regular</b>	<u>22,613</u>	<u>190</u>	<u>22,803</u>	<u>20,204</u>	<u>2,599</u>
<b>Undist. Expend. - Other Support Services - Students-Special</b>					
Salaries of other professional staff	183,888	(25,000)	158,888	146,103	12,785
Salaries of secretarial and clerical assistants	25,025	1	25,026	20,717	4,309
Purchased professional - educational services	40,000	(37,141)	2,859	-	2,859
Other purchased professional services	47,587	(45,972)	1,615	382	1,233
Supplies and materials	2,800	-	2,800	275	2,525
Other objects	1,780	(1,680)	100	100	-
<b>Total Undist. Expend. - Other Support Services - Students-Special</b>	<u>301,080</u>	<u>(109,792)</u>	<u>191,288</u>	<u>167,577</u>	<u>23,711</u>
<b>Undist. Expend. - Improvement of Instruction Services</b>					
Salaries of supervisor of instruction	180,083	19,743	199,826	185,663	14,163
Salaries of other professional staff	8,000	350	8,350	8,348	2
Salaries of secretarial and clerical assist.	2,500	50	2,550	2,098	452
Other salaries	6,000	(390)	5,610	5,565	45
Other purchased professional and technical services	-	36,900	36,900	36,887	13
Supplies and materials	2,600	(2,550)	50	-	50
<b>Total Undist. Expend. - Improvement of Instruction Services</b>	<u>199,183</u>	<u>54,103</u>	<u>253,286</u>	<u>238,561</u>	<u>14,725</u>
<b>Undist. Expend. - Educational Media Services/School Library</b>					
Purchased professional and technical services	1,420	-	1,420	1,060	360
Other purchased services (400-500 series)	1,500	(1,500)	-	-	-
Supplies and materials	1,000	2,000	3,000	2,746	254
Other objects	1,000	(1,000)	-	-	-
<b>Total Undist. Expend. - Educational Media Services/School Library</b>	<u>4,920</u>	<u>(500)</u>	<u>4,420</u>	<u>3,806</u>	<u>614</u>
<b>Undist. Expend. - Instruction Staff Training Services</b>					
Purchased professional and technical services	1,000	(1,000)	-	-	-
Other purchased services (400-500 series)	18,000	2,540	20,540	8,317	12,223
<b>Total Undist. Expend. - Instruction Staff Training Services</b>	<u>19,000</u>	<u>1,540</u>	<u>20,540</u>	<u>8,317</u>	<u>12,223</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Support Service - General Administration</b>					
Salaries	\$ 171,541	\$ 6,200	\$ 177,741	\$ 175,445	\$ 2,296
Legal services	27,000	(16,000)	11,000	4,875	6,125
Audit fees	20,000	(6,800)	13,200	10,350	2,850
Other purchased professional services	4,000	(1,200)	2,800	50	2,750
Purchased technical services	2,000	(2,000)	-	-	-
Communications/Telephone - Bus	6,000	500	6,500	5,753	747
BOE other purchased prof. svc.	1,000	(1,000)	-	-	-
Other purchased services (400-500 series)	5,000	(1,500)	3,500	3,408	92
General supplies	4,000	-	4,000	1,827	2,173
BOE membership dues and fees	7,000	-	7,000	6,941	59
Miscellaneous expenditures	3,000	(3,000)	-	-	-
<b>Total Undist. Expend. - Support Service - General Administration</b>	<b>250,541</b>	<b>(24,800)</b>	<b>225,741</b>	<b>208,649</b>	<b>17,092</b>
<b>Undist. Expend. - Support Service - School Administration</b>					
Salaries of secretarial and clerical assistants	28,429	(2,900)	25,529	21,281	4,248
Supplies and materials	3,500	(300)	3,200	-	3,200
Other objects	500	-	500	500	-
<b>Total Undist. Expend. - Support Service - School Administration</b>	<b>32,429</b>	<b>(3,200)</b>	<b>29,229</b>	<b>21,781</b>	<b>7,448</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	109,179	-	109,179	105,953	3,226
Purchased technical services	9,000	(4,701)	4,299	4,099	200
Misc. Pur Serv (400-500 series)	4,000	(4,000)	-	-	-
Supplies and materials	4,000	(1,799)	2,201	1,663	538
Miscellaneous Expenditures	3,200	(3,200)	-	-	-
<b>Total Undist. Expend. - Central Services</b>	<b>129,379</b>	<b>(13,700)</b>	<b>115,679</b>	<b>111,715</b>	<b>3,964</b>
<b>Undist. Expend. - Admin. Info. Technology</b>					
Purchased technical services	12,000	11,879	23,879	23,818	61
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<b>12,000</b>	<b>11,879</b>	<b>23,879</b>	<b>23,818</b>	<b>61</b>
<b>Undist. Expend. - Required Maintenance for School Facilities</b>					
Cleaning, repair and maintenance services	100,000	(46,530)	53,470	53,144	326
General supplies	35,000	(2,000)	33,000	31,954	1,046
<b>Total Undist. Expend. - Allowed Maintenance for School Facilities</b>	<b>135,000</b>	<b>(48,530)</b>	<b>86,470</b>	<b>85,098</b>	<b>1,372</b>
<b>Undist. Expend. - Other Operation &amp; Maintenance of Plant</b>					
Salaries - Custodians	118,797	630	119,427	109,400	10,027
Salaries of Non-Instructional Aides	-	500	500	104	396
Purchased professional and technical services	25,000	55,021	80,021	69,223	10,798
Cleaning, repair and maintenance services - up keep	46,000	36,800	82,800	67,524	15,276
Rental of land and building other than lease	18,000	(17,400)	600	594	6
Other purchased property services	4,000	(2,500)	1,500	1,354	146
Insurance	45,189	(45,100)	89	-	89
Miscellaneous purchased services	7,000	32,100	39,100	28,941	10,159
General supplies	6,000	(6,000)	-	-	-
Energy (Heat and Electricity)	65,000	(24,300)	40,700	29,996	10,704
Other objects	5,000	(4,500)	500	214	286
Energy (Natural Gas)	61,000	(35,200)	25,800	15,681	10,119
<b>Total Undist. Expend. - Other Operation &amp; Maintenance Of Plant</b>	<b>400,986</b>	<b>(9,949)</b>	<b>391,037</b>	<b>323,031</b>	<b>68,006</b>
<b>Undist. Expend. - Security</b>					
Salaries	53,549	-	53,549	53,401	148
<b>Total Undist. Expend. - Security</b>	<b>53,549</b>	<b>-</b>	<b>53,549</b>	<b>53,401</b>	<b>148</b>
<b>Undist. Expend. - Student Transportation Services</b>					
Salaries for pupil transportation(between home and school)-Special	34,074	1,300	35,374	35,270	104
Salaries for pupil trans. (other than between home and school)	23,724	1,700	25,424	25,376	48
Cleaning, repair and maintenance services	-	10,000	10,000	9,846	154
Contract services -(between home and school)-Vendor	40,499	-	40,499	33,028	7,471
Contract services (other than between home & school) - Vendors	10,000	(8,000)	2,000	1,100	900
Contract services -(between home and school)-Joint	-	-	-	-	-
Contract services - (special education students) - Vendors	10,000	(10,000)	-	-	-
Contract services-(special education students)-Joint	18,492	72,000	90,492	71,159	19,333
Contract services-(regular students)ESC's & CTSA's	62,922	(62,000)	922	-	922
Contract services-(special education students)-ESC's & CTSA's	180,000	(12,600)	167,400	155,255	12,145
Aid in lieu of payments	40,000	(5,700)	34,300	29,830	4,470
Miscellaneous expenditures	6,000	(5,500)	500	175	325
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>425,711</b>	<b>(18,800)</b>	<b>406,911</b>	<b>361,039</b>	<b>45,872</b>
<b>UNALLOCATED EMPLOYEE BENEFITS</b>					
Group insurance	46,270	(11,002)	35,268	10,925	24,343
Social security contributions	84,000	3,000	87,000	86,489	511
Other retirement contributions - PERS	80,000	10,586	90,586	89,739	847
Other retirement contributions - ERIP	-	1,914	1,914	1,835	79
Other retirement contributions - Regular	1,000	(1,000)	-	-	-
Unemployment Compensation	25,000	(1,000)	24,000	21,135	2,865
Workmen's compensation	46,750	(8,500)	38,250	37,794	456
Health benefits	781,660	(101,698)	679,962	511,645	168,317
Tuition reimbursement	30,000	(29,500)	500	-	500
Other employee benefits	-	28,500	28,500	18,995	9,505
<b>TOTAL UNALLOCATED EMPLOYEE BENEFITS</b>	<b>1,094,680</b>	<b>(108,700)</b>	<b>985,980</b>	<b>778,557</b>	<b>207,423</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF LTDI (non-budgeted)	\$ -	\$ -	\$ -	\$ 550	\$ (550)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	217,888	(217,888)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	932,579	(932,579)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	202,307	(202,307)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,353,324</b>	<b>(1,353,324)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>1,094,680</b>	<b>(108,700)</b>	<b>985,980</b>	<b>2,131,881</b>	<b>(1,145,901)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>5,782,649</b>	<b>74,818</b>	<b>5,857,467</b>	<b>6,611,030</b>	<b>(753,563)</b>
<b>INTEREST EARNED ON MAINTENANCE RESERVE</b>					
Interest earned on maintenance reserve	100	(100)	-	-	-
<b>TOTAL INTEREST EARNED ON MAINTENANCE RESERVE</b>	<b>100</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL CURRENT EXPENDITURES</b>	<b>8,156,701</b>	<b>827</b>	<b>8,157,528</b>	<b>8,869,450</b>	<b>(711,922)</b>
<b>CAPITAL OUTLAY</b>					
Interest	100	(100)	-	-	-
<b>Equipment</b>					
<b>Undistributed:</b>					
Undistributed expenditures - Non-Instructional equip.	4,000	9,000	13,000	12,535	465
Undistributed expenditures - Operation & maint. of plant services	-	-	-	-	-
<b>Total Equipment</b>	<b>4,000</b>	<b>9,000</b>	<b>13,000</b>	<b>12,535</b>	<b>465</b>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	36,000	-	36,000	2,271	33,729
Land and improvements	100,000	-	100,000	-	100,000
Construction services	664,000	-	664,000	-	664,000
<b>Total Facilities Acquisition and Construction Services</b>	<b>800,000</b>	<b>-</b>	<b>800,000</b>	<b>2,271</b>	<b>797,729</b>
Capital reserve - Transfer to	-	-	-	-	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>804,100</b>	<b>8,900</b>	<b>813,000</b>	<b>14,806</b>	<b>798,194</b>
<b>Transfer of funds to charter schools</b>	<b>9,727</b>	<b>(9,727)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>8,970,528</b>	<b>-</b>	<b>8,970,528</b>	<b>8,884,256</b>	<b>86,272</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,274,752)</b>	<b>(200)</b>	<b>(1,274,952)</b>	<b>317,454</b>	<b>1,592,406</b>
<b>Other Financing Uses:</b>					
Transfer out- capital projects interest	-	-	-	(233,869)	233,869
<b>Total Other Financing Sources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,869)</b>	<b>233,869</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(1,274,752)</b>	<b>(200)</b>	<b>(1,274,952)</b>	<b>83,585</b>	<b>1,826,275</b>
<b>Fund Balance, July 1</b>	<b>3,859,142</b>	<b>-</b>	<b>3,859,142</b>	<b>3,859,142</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ 2,584,390</b>	<b>\$ (200)</b>	<b>\$ 2,584,190</b>	<b>\$ 3,942,727</b>	<b>\$ 1,826,275</b>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Capital reserve				2,569,974	
Maintenance reserve				217,460	
Tuition reserve				331,000	
Excess surplus - Designated for subsequent year's expenditures				24,450	
Excess surplus - Current year				194,869	
<b>Assigned Fund Balance:</b>					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				176,115	
<b>Unassigned Fund Balance</b>				<b>428,859</b>	
<b>Reconciliation to governmental funds statements (GAAP)</b>					
Fund balance per governmental funds (Budgetary)				3,942,727	
Last state aid payment not recognized on GAAP basis				(431,741)	
Fund balance per governmental funds (GAAP) - B-1				<b>3,510,986</b>	
<b>Fund balance per governmental funds (GAAP) - B-1</b>				<b>\$ 3,510,986</b>	

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**For the 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>
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 8,052	\$ 8,052
State sources	-	-	-	746,083	746,083
Federal sources	996,641	2,224,666	3,221,307	1,450,139	(1,771,168)
<b>Total Revenues</b>	<u>996,641</u>	<u>2,224,666</u>	<u>3,221,307</u>	<u>2,204,274</u>	<u>(1,017,033)</u>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of teachers	441,981	294,960	736,941	475,467	261,474
Other salaries for instruction	-	-	-	-	-
Purchased professional services	14,731	7,709	22,440	22,440	-
General supplies	15,706	51,827	67,533	65,741	1,792
Tuition	98,823	27,157	125,980	125,980	-
<b>Total instruction</b>	<u>571,241</u>	<u>381,653</u>	<u>952,894</u>	<u>689,628</u>	<u>263,266</u>
<b>Support services:</b>					
Salaries of program director	244,084	159,733	403,817	273,012	130,805
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	12,776	(811)	11,965	-	11,965
Purchased technical services	9,442	51,272	60,714	21,383	39,331
Employee Benefits	159,098	136,497	295,595	193,271	102,324
Miscellaneous purchased services (400-500 series)	-	117,434	117,434	117,434	-
Miscellaneous expenditures	-	-	-	-	-
Student activities	-	-	-	10,574	(10,574) Note 1
Supplies & materials	-	-	-	-	-
<b>Total support services</b>	<u>425,400</u>	<u>464,125</u>	<u>889,525</u>	<u>615,674</u>	<u>273,851</u>
<b>Facilities acquisition and const. serv.:</b>					
Instructional equipment	-	1,378,888	1,378,888	901,494	477,394
<b>Total facilities acquisition and const. serv.</b>	<u>-</u>	<u>1,378,888</u>	<u>1,378,888</u>	<u>901,494</u>	<u>477,394</u>
<b>Total expenditures</b>	<u>996,641</u>	<u>2,224,666</u>	<u>3,221,307</u>	<u>2,206,796</u>	<u>1,014,511</u>
<b>Other financing sources (uses)</b>					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
<b>Total outflows</b>	<u>996,641</u>	<u>2,224,666</u>	<u>3,221,307</u>	<u>2,206,796</u>	<u>1,014,511</u>
<b>Excess (deficiency) of revenues</b>					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,522)</u>	<u>\$ (2,522)</u>
<b>Fund Balance, July 1</b>				12,013	
<b>Fund Balance, June 30</b>				<u>\$ 9,491</u>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Student Activities				9,491	
<b>Total Fund Balance</b>				<u>\$ 9,491</u>	

Note 1 - Not required to budget for these funds



BEVERLY CITY SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to Required Supplementary Information  
 For the 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>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 9,201,710	[C-2]	\$ 2,204,274
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(932,579)		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(431,741)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		365,915		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 8,203,305</u>	[B-2]	<u>\$ 2,204,274</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 8,884,256	[C-2]	\$ 2,206,796
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(932,579)		-
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.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 7,951,677</u>	[B-2]	<u>\$ 2,206,796</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**BEVERLY CITY SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS  
For the Year Ended June 30, 2022**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's proportion of the net pension liability	0.0053958974%	0.0050259860%	0.0051544052%	0.0052933247%	0.0051245785%	0.0053567090%	0.0071756507%	0.0075697867%
District's proportionate share of the net pension liability	\$ 1,053,470	\$ 1,174,024	\$ 1,526,587	\$ 1,232,201	\$ 1,009,004	\$ 965,198	\$ 1,170,161	\$ 896,755
District's covered-employee payroll	-	345,539	359,143	347,570	359,886	453,216	534,967	554,698
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	339.77%	425.06%	354.52%	222.63%	180.42%	218.74%	161.67%
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%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

**BEVERLY CITY SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District Contributions-PERS  
For the Year Ended June 30, 2022**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contributions	\$ 44,483	\$ 44,495	\$ 46,728	\$ 49,974	\$ 51,974	\$ 53,094	\$ 79,403	\$ 89,556
Contributions in relation to the contractually required contribution	\$ 59,764	\$ 44,495	\$ 46,728	\$ 50,160	\$ 52,324	\$ 53,094	\$ 79,584	\$ 89,739
Contribution deficiency (excess)	\$ (15,281)	\$ -	\$ -	\$ (186)	\$ (350)	\$ -	\$ (181)	\$ (183)
District's covered-employee payroll	\$ 345,539	\$ 359,143	\$ 347,570	\$ 359,886	\$ 453,216	\$ 534,967	\$ 554,698	\$ 523,102
Contributions as a percentage of covered-employee payroll	12.87%	12.39%	13.44%	14.38%	11.47%	9.92%	14.31%	17.12%

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

**BEVERLY CITY SCHOOL DISTRICT  
Required Supplementary Information  
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF  
For the Year Ended June 30, 2022**

**Last 10 Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the net pension liability associated with the District	0.0183641908%	0.0198012861%	0.0174542012%	0.0200829170%	0.0214816045%	0.0212569572%	0.0218023034%	0.0215915254%
State's proportionate share of the net pension liability associated with the District	\$ 9,815,062	\$ 12,515,258	\$ 13,730,586	\$ 13,540,627	\$ 13,666,135	\$ 13,045,595	\$ 14,356,554	\$ 10,380,167
District's covered-employee payroll	1,986,064	2,117,683	2,163,122	2,224,442	2,312,535	2,454,455	2,561,100	2,799,974
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	494.20%	590.99%	634.76%	608.72%	590.96%	531.51%	560.56%	370.72%
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%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

**BEVERLY CITY SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

**Last 10 Fiscal Years\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State's proportion of the OPEB liability associated with the District					
Service cost	\$ 536,262	\$ 441,276	\$ 394,562	\$ 414,455	\$ 809,613
Interest cost	352,885	406,465	380,572	299,729	307,679
Changes of benefit terms	-	-	-	-	(12,624)
Differences between expected and actual experiences	-	(977,141)	(1,942,385)	3,160,228	(3,580,332)
Changes in assumptions	(1,576,050)	(1,097,215)	123,322	2,659,458	11,701
Member contributions	9,411	8,836	7,526	7,682	7,866
Gross benefit payments	<u>(255,590)</u>	<u>(255,668)</u>	<u>(253,897)</u>	<u>(253,463)</u>	<u>(242,365)</u>
Net change in total OPEB liability	(933,082)	(1,473,447)	(1,290,300)	6,288,089	(2,698,462)
State's Total OPEB liability - beginning	<u>11,967,897</u>	<u>11,034,815</u>	<u>9,561,368</u>	<u>8,271,068</u>	<u>14,559,157</u>
State's Total OPEB liability - ending	<u>\$ 11,034,815</u>	<u>\$ 9,561,368</u>	<u>\$ 8,271,068</u>	<u>\$ 14,559,157</u>	<u>\$ 11,860,695</u>
District's covered employee payroll	\$ 3,177,000	\$ 3,379,568	\$ 3,654,480	\$ 3,720,150	\$ 3,702,150
Total State's OPEB liability as a percentage of covered employee payroll	347%	283%	226%	391%	320%

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

Beverly City School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2022

**Teachers Pension and Annuity Fund (TPAF)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2020, to 7.00% as of June 30, 2021.

**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None .

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

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION



D. School Based Budget Schedules  
Not Applicable

E. Special Revenue Fund

**BEVERLY CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2022**

	SDA Emergent 21/22	Student Activities 21/22	TITLE II 21/22	IDEA PRESCHOOL 21/22	IDEA Basic 21/22	TITLE I 21/22
<b>Revenues:</b>						
Local sources		\$ 8,052	\$ -	\$ -	\$ -	\$ -
State sources	6,168	-	-	-	-	-
Federal sources	-	-	10,714	3,410	122,570	138,852
<b>Total revenues</b>	<b>6,168</b>	<b>8,052</b>	<b>10,714</b>	<b>3,410</b>	<b>122,570</b>	<b>138,852</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of teachers	-	-	-	-	-	95,760
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Tuition	-	-	-	3,410	122,570	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,410</b>	<b>122,570</b>	<b>95,760</b>
<b>Support services:</b>						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	6,168	-	10,714	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	43,092
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Student activities	-	10,574	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>6,168</b>	<b>10,574</b>	<b>10,714</b>	<b>-</b>	<b>-</b>	<b>43,092</b>
<b>Total support services</b>	<b>6,168</b>	<b>10,574</b>	<b>10,714</b>	<b>-</b>	<b>-</b>	<b>43,092</b>
<b>Equipment:</b>						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>6,168</b>	<b>10,574</b>	<b>10,714</b>	<b>3,410</b>	<b>122,570</b>	<b>138,852</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>-</b>	<b>(2,522)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>12,013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ 9,491</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedules of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2022**

	ESSER II Mental Health 21/22	ESSER II Learning Acceleration 21/22	ARP IDEA Basic 21/22	ARP IDEA PRESCHOOL 21/22	ARP ESSER III 21/22	ARP ESSER III Summer learning 21/22	ARP ESSER III School Day 21/22
<b>Revenues:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	45,000	34,833	17,440	1,479	388,712	14,904	3,500
<b>Total revenues</b>	<b>45,000</b>	<b>34,833</b>	<b>17,440</b>	<b>1,479</b>	<b>388,712</b>	<b>14,904</b>	<b>3,500</b>
<b>Expenditures:</b>							
<b>Instruction:</b>							
Salaries of teachers	-	18,660	-	-	-	1,480	3,500
Other salaries/instruction	-	-	-	-	-	-	-
Purchased professional services	-	-	17,440	-	-	-	-
General supplies	-	8,709	-	1,479	-	13,424	-
Tuition	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>27,369</b>	<b>17,440</b>	<b>1,479</b>	<b>-</b>	<b>14,904</b>	<b>3,500</b>
<b>Support services:</b>							
Other support services - students - special:							
Other professional staff salaries	28,928	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-	-
Purchased professional services	4,501	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-	-
Employee benefits	11,571	7,464	-	-	-	-	-
Travel	-	-	-	-	-	-	-
General supplies	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>45,000</b>	<b>7,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total support services</b>	<b>45,000</b>	<b>7,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equipment:</b>							
Regular programs instruction	-	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	388,712	-	-
<b>Total equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>388,712</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>45,000</b>	<b>34,833</b>	<b>17,440</b>	<b>1,479</b>	<b>388,712</b>	<b>14,904</b>	<b>3,500</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2022**

(Continued from prior page)

	ESSER II Grant Program	Preschool Edu. Aid 21/22	TITLE IV 21/22	Cares Emergency Relief Grant 20/21	COVID Relief Fund 20/21	Total 2022
<b>Revenues:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,052
State sources		739,915	-	-	-	746,083
Federal sources	542,782	-	12,086	87,434	26,423	1,450,139
<b>Total revenues</b>	<b>542,782</b>	<b>739,915</b>	<b>12,086</b>	<b>87,434</b>	<b>26,423</b>	<b>2,204,274</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Salaries of teachers	-	343,981	12,086	-	-	475,467
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	-	5,000	-	-	-	22,440
General supplies	-	15,706	-	-	26,423	65,741
Tuition	-	-	-	-	-	125,980
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>364,687</b>	<b>12,086</b>	<b>-</b>	<b>26,423</b>	<b>689,628</b>
<b>Support services:</b>						
<b>Other support services - students - special:</b>						
Other professional staff salaries	-	244,084	-	-	-	273,012
Personal Services	-	-	-	-	-	-
Purchased professional services	-	-	-	-	-	21,383
Other purchased professional services	30,000	-	-	87,434	-	117,434
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	131,144	-	-	-	193,271
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Student activities	-	-	-	-	-	10,574
Miscellaneous expenses	-	-	-	-	-	-
<b>Total other support services - students - special</b>	<b>30,000</b>	<b>375,228</b>	<b>-</b>	<b>87,434</b>	<b>-</b>	<b>615,674</b>
<b>Total support services</b>	<b>30,000</b>	<b>375,228</b>	<b>-</b>	<b>87,434</b>	<b>-</b>	<b>615,674</b>
<b>Equipment:</b>						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	512,782	-	-	-	-	901,494
<b>Total equipment</b>	<b>512,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>901,494</b>
<b>Total expenditures</b>	<b>542,782</b>	<b>739,915</b>	<b>12,086</b>	<b>87,434</b>	<b>26,423</b>	<b>2,206,796</b>
<b>Excess (deficiency) of revenues Over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,522)</b>
<b>Fund Balance, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,013</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,491</b>

**BEVERLY CITY SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 343,981	\$ 343,981	\$ -
Other Salaries for Instruction	-	-	-
Other Purchased Services (400-500 series)	5,000	5,000	-
General Supplies	15,706	15,706	-
<b>Total instruction</b>	<u>364,687</u>	<u>364,687</u>	<u>-</u>
<b>Support services:</b>			
Salaries of Other Professional Staff	244,084	244,084	-
Personal Services - Employee Benefits	131,144	131,144	-
Rentals	-	-	-
Other Objects	-	-	-
<b>Total support services</b>	<u>375,228</u>	<u>375,228</u>	<u>-</u>
<b>Facilities acquisition and cont. serv:</b>			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
<b>Total Facilities acquisition and cont. serv.</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 739,915</u>	<u>\$ 739,915</u>	<u>\$ -</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2021-22 PreK/ECPA Aid Allocation	\$ 739,915
Add: Actual PreK/ECPA Aid Carryover June 30, 2021	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2021-22 Budget	<u>739,915</u>
Less: 2020-21 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>739,915</u>
Available & Unbudgeted Funds as of June 30, 2022	-
Add: June 30, 2021 Unexpended PreK Aid	-
2022 - Actual Carryover - PreK Aid	<u>\$ -</u>
2021-22 PreK Aid Carryover Budgeted in 2023-FY	<u>\$ -</u>

## F. Capital Projects Fund

**BEVERLY CITY SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Year Ended June 30, 2022**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Roof Replacement - SP 0380-025-14-1003-G04	01/06/14	\$ 767,500	\$ 735,751	\$ (55,561)	\$ 87,310
HVAC Replacement - SP 0380-025-14-1002-G04	01/06/14	804,161	800,125	-	4,036
Boiler Replacement - SP 0380-025-14-1001-G04	01/06/14	511,997	379,219	23,553	109,225
Window Replacement - SP 0380-025-14-1004-G04	01/06/14	<u>640,000</u>	<u>476,433</u>	<u>32,008</u>	<u>131,559</u>
Totals		<u>\$ 2,723,658</u>	<u>\$ 2,391,528</u>	<u>\$ -</u>	<u>\$ 332,130</u>



**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2022**

**Revenues and Other Financing Sources**

State Sources - Grant		-
Bond proceeds and transfers	\$	-
Capital lease proceeds		-
Transfer from General Fund		233,869
Total revenues		233,869

**Expenditures and Other Financing Uses**

Purchased professional and technical services		-
Construction services		-
Supplies		-
Total expenditures		-

Excess (deficiency) of revenues over (under) expenditures		233,869
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Fund balance - beginning		(233,869)
--------------------------	--	-----------

Fund balance - ending	\$	-
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**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**ROOF REPLACEMENT**  
**For the Year Ended June 30, 2022**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - Grant	\$ 320,466	\$ -	\$ 320,466	\$ 477,500
Bond proceeds and transfers	290,000	-	290,000	290,000
Transfer	-	69,724	69,724	-
Total revenues	<u>610,466</u>	<u>69,724</u>	<u>680,190</u>	<u>767,500</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	16,529		16,529	35,500
Construction services	719,222	(55,561)	663,661	732,000
Supplies	-	-	-	-
Total expenditures	<u>735,751</u>	<u>(55,561)</u>	<u>680,190</u>	<u>767,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (125,285)</u>	<u>\$ 125,285</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP 0380-025-14-1003-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	767,500			
Additional Authorized Cost	-			
Revised Authorized Cost	767,500			
Percentage Increase over Original Authorized Cost 0.00%				
Percentage Completion 89%				
Original target completion date 2016				
Revised target completion date 2016				

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**HVAC PROJECT**  
**For the Year Ended June 30, 2022**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - Grant	\$ 331,360	\$ -	\$ 331,360	\$ 499,541
Bond proceeds and transfers	304,620	-	304,620	304,620
Transfer	-	164,145	164,145	-
Total revenues	<u>635,980</u>	<u>164,145</u>	<u>800,125</u>	<u>804,161</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	17,164	-	17,164	61,778
Construction services	782,961	-	782,961	742,383
Supplies	-	-	-	-
Total expenditures	<u>800,125</u>	<u>-</u>	<u>800,125</u>	<u>804,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (164,145)</u>	<u>\$ 164,145</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP 0380-025-14-1002-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	804,161			
Additional Authorized Cost	-			
Revised Authorized Cost	804,161			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	99.4981105%			
Original target completion date	2016			
Revised target completion date	2016			

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**BOILER REPLACEMENT**  
**For the Year Ended June 30, 2022**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - Grant	\$ 208,827	\$ -	\$ 208,827	\$ 318,052
Bond proceeds and transfers	193,945	-	193,945	193,945
Local Revenue	-	-	-	-
Total revenues	<u>402,772</u>	<u>-</u>	<u>402,772</u>	<u>511,997</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	14,841	-	14,841	41,112
Construction services	364,378	23,553	387,931	470,885
Transfer	-	-	-	-
Total expenditures	<u>379,219</u>	<u>23,553</u>	<u>402,772</u>	<u>511,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 23,553</u>	<u>\$ (23,553)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP 0380-025-14-1001-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	511,997			
Additional Authorized Cost	-			
Revised Authorized Cost	511,997			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	78.6668672%			
Original target completion date	2016			
Revised target completion date	2016			

**BEVERLY CITY SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**WINDOW REPLACEMENT**  
**For the Year Ended June 30, 2022**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources</b>				
State Sources - Grant	\$ 266,006	\$ -	\$ 266,006	\$ 397,565
Bond proceeds and transfers	242,435	-	242,435	242,435
Local Revenue	-	-	-	-
Total revenues	<u>508,441</u>	<u>-</u>	<u>508,441</u>	<u>640,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased prof. and technical services	15,896		15,896	40,270
Construction services	460,537	32,008	492,545	599,730
Transfer	-	-	-	-
Total expenditures	<u>476,433</u>	<u>32,008</u>	<u>508,441</u>	<u>640,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 32,008</u>	<u>\$ (32,008)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information:</b>				
Project Number	SP 0380-025-14-1004-G04			
Grant Date	1/6/2014			
Bond Authorization Date	1/22/2015			
Bonds Authorized	\$ 1,031,000			
Bonds Issued	1,031,000			
Original Authorized Cost	640,000			
Additional Authorized Cost	-			
Revised Authorized Cost	640,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	79.4439063%			
Original target completion date	2016			
Revised target completion date	2016			

G. Proprietary Funds  
See B-4 through B-6

H. Fiduciary Funds  
Not Applicable

## I. Long-Term Debt



**BEVERLY CITY SCHOOL DISTRICT  
Long-Term Debt  
Schedule of Serial Bonds  
June 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
Series 2015 Bonds	2/5/2015	1,031,000				\$ 680,000		\$ 65,000	\$ 615,000
			2/1/2023	70,000	2.000%				
			2/1/2024	70,000	2.250%				
			2/1/2025	70,000	2.375%				
			2/1/2026	75,000	3.000%				
			2/1/2027	80,000	3.000%				
			2/1/2028	80,000	3.000%				
			2/1/2029	85,000	3.000%				
			2/1/2030	85,000	3.125%	-	-	-	-
						<u>\$ 680,000</u>	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 615,000</u>

**BEVERLY CITY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 83,194	\$ -	\$ 83,194	\$ 83,194	\$ -
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
	-	-	-	-	-
Total - State Sources	-	-	-	-	-
<b>Total Revenues</b>	<b>83,194</b>	<b>-</b>	<b>83,194</b>	<b>83,194</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	18,194	-	18,194	18,194	-
Redemption of Principal	65,000	-	65,000	65,000	-
	83,194	-	83,194	83,194	-
Total Regular Debt Service	83,194	-	83,194	83,194	-
<b>Total expenditures</b>	<b>83,194</b>	<b>-</b>	<b>83,194</b>	<b>83,194</b>	<b>-</b>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

**Beverly City School District  
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p><b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	102-106
<p><b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	107-110
<p><b>Debt Capacity</b> 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.</p>	111-114
<p><b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.</p>	115-116
<p><b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.</p>	117-121

*Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.*

**BEVERLY CITY SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 3,422,237	\$ 117,053	\$ 260,766	\$ 1,673,305	\$ 1,761,474	\$ 1,724,794	\$ 1,783,814	\$ 1,794,499	\$ 1,778,274	\$ 2,898,403
Restricted	703,620	1,371,379	1,614,184	2,174,144	3,091,266	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244
Unrestricted	203,807	(126,216)	(1,256,874)	(1,177,421)	(1,140,178)	(1,209,159)	(1,236,886)	(1,248,695)	(1,166,316)	(1,016,294)
<b>Total governmental activities net position</b>	<b>\$ 4,329,664</b>	<b>\$ 1,362,216</b>	<b>\$ 618,076</b>	<b>\$ 2,670,028</b>	<b>\$ 3,712,562</b>	<b>\$ 4,060,215</b>	<b>\$ 4,212,762</b>	<b>\$ 4,289,971</b>	<b>\$ 3,976,149</b>	<b>\$ 5,229,353</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 998,028	\$ 16,152	\$ 12,026	\$ 10,069	\$ 3,831	\$ 5,057	\$ 3,972	\$ 2,887	\$ 6,083	\$ 4,998
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	352,044	59,457	48,016	56,484	78,098	64,772	65,431	105,408	74,118	101,740
<b>Total business-type activities net position</b>	<b>\$ 1,350,072</b>	<b>\$ 75,609</b>	<b>\$ 60,042</b>	<b>\$ 66,553</b>	<b>\$ 81,929</b>	<b>\$ 69,829</b>	<b>\$ 69,403</b>	<b>\$ 108,295</b>	<b>\$ 80,201</b>	<b>\$ 106,738</b>
<b>District-wide</b>										
Net investment in capital assets	\$ 4,420,265	\$ 133,205	\$ 272,792	\$ 1,683,374	\$ 1,683,374	\$ 1,729,851	\$ 1,787,786	\$ 1,797,386	\$ 1,784,357	\$ 2,903,401
Restricted	703,620	1,371,379	1,614,184	2,174,144	2,174,144	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244
Unrestricted	555,851	(66,759)	(1,208,858)	(1,120,937)	(1,120,937)	(1,144,387)	(1,171,455)	(1,143,287)	(1,092,198)	(914,554)
<b>Total district net position</b>	<b>\$ 5,679,736</b>	<b>\$ 1,437,825</b>	<b>\$ 678,118</b>	<b>\$ 2,736,581</b>	<b>\$ 2,736,581</b>	<b>\$ 4,130,044</b>	<b>\$ 4,282,165</b>	<b>\$ 4,398,266</b>	<b>\$ 4,056,350</b>	<b>\$ 5,336,091</b>

Source: ACFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

**BEVERLY CITY SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(accrual basis of accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 1,225,160	\$ 1,681,078	\$ 1,758,381	\$ 1,873,420	\$ 1,784,149	\$ 1,801,640	\$ 1,906,207	\$ 1,923,825	\$ 1,452,377	\$ 1,502,760
Special education	306,228	416,758	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697
Other special education	122,798	117,006	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963
Support Services:										
Instruction	886,691	2,189,196	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671
Attendance and social work	15,771	27,360	28,803	31,525	33,558	32,855	40,414	31,890	36,228	40,227
Health services	56,396	60,070	72,830	123,901	138,734	137,535	147,146	127,366	126,375	133,294
Improvement of instr. services	62,311	-	-	-	-	-	-	-	-	-
Educational media services	26,272	1,369	2,710	4,447	4,775	5,043	10,720	5,043	3,641	3,806
Instruction staff training	4,088	10,595	5,468	8,584	25,327	18,382	17,205	7,079	8,135	8,317
School Administrative services	73,385	20,460	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781
General administration	128,399	217,921	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649
Central Services	78,454	140,943	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715
Plant operations and maintenance	402,545	469,316	514,151	502,166	675,776	710,067	600,581	538,923	583,167	556,570
Administrative information technology	3,186	13,292	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818
Pupil transportation	138,189	399,825	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039
Other support services	312,466	718,776	619,725	645,775	678,410	709,503	726,783	1,017,121	588,798	597,824
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	10,029	26,205	20,756	21,864	21,894	20,694	18,241	14,462
Unallocated employee benefits	474,693	552,123	680,591	544,562	581,847	729,877	646,261	436,289	329,461	(268,128)
Total governmental activities expenses	4,317,032	7,036,088	6,768,105	6,302,626	6,286,842	6,757,075	6,957,168	7,401,939	6,867,129	6,581,465
Business-type activities:										
Enterprise fund	21,802	16,677	15,567	(6,511)	(15,376)	12,100	426	(38,892)	28,094	(26,537)
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	21,802	16,677	15,567	(6,511)	(15,376)	12,100	426	(38,892)	28,094	(26,537)
Total district expenses	\$ 4,338,834	\$ 7,052,765	\$ 6,783,672	\$ 6,296,115	\$ 6,271,466	\$ 6,769,175	\$ 6,957,594	\$ 7,363,047	\$ 6,895,223	\$ 6,554,928
<b>Net (Expense)/Revenue</b>										
Governmental activities	(4,317,032)	(7,036,088)	(6,768,105)	(6,302,626)	(6,286,842)	(6,757,075)	(6,957,168)	(7,401,939)	(6,867,129)	(6,581,465)
Business-type activities	(21,802)	(16,677)	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537
Total district-wide net expense	\$ (4,338,834)	\$ (7,052,765)	\$ (6,783,672)	\$ (6,296,115)	\$ (6,271,466)	\$ (6,769,175)	\$ (6,957,594)	\$ (7,363,047)	\$ (6,895,223)	\$ (6,554,928)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 4,012,243	\$ 2,719,959	\$ 2,768,851	\$ 2,831,833	\$ 2,845,921	\$ 2,845,921	\$ 2,874,380	\$ 2,954,932	\$ 3,041,452	\$ 3,138,502
Taxes levied for debt service	-	-	-	78,035	79,194	83,094	81,894	80,694	84,494	83,194
Unrestricted grants and contributions	103,951	3,667,492	3,640,995	5,030,304	3,929,687	3,716,486	3,641,272	4,012,006	3,391,499	4,517,666
State aid - restricted	53,999	756,220	669,523	330,739	322,605	314,716	324,936	314,306	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	40	1,889	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200
Miscellaneous income - restricted	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	111,729	39,937	25,589	81,174	149,475	141,824	183,181	67,544	19,796	92,107
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	4,281,962	7,185,497	7,107,146	8,354,578	7,329,376	7,104,728	7,109,715	7,479,148	6,543,779	7,834,669
Business-type activities:										
Investment earnings	262	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	262	-	-	-	-	-	-	-	-	-
Total district-wide	\$ 4,282,224	\$ 7,185,497	\$ 7,107,146	\$ 8,354,578	\$ 7,329,376	\$ 7,104,728	\$ 7,109,715	\$ 7,479,148	\$ 6,543,779	\$ 7,834,669
<b>Change in Net Position</b>										
Governmental activities	(35,070)	149,409	339,041	2,051,952	1,042,534	347,653	152,547	77,209	(323,350)	1,253,204
Business-type activities	(21,540)	(16,677)	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537
Total district	\$ (56,610)	\$ 132,732	\$ 323,474	\$ 2,058,463	\$ 1,057,910	\$ 335,553	\$ 152,121	\$ 116,101	\$ (351,444)	\$ 1,279,741

Source: ACFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

**BEVERLY CITY SCHOOL DISTRICT**  
**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
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 3,047,002	\$ 3,510,217	\$ 3,576,940	\$ 3,744,167	\$ 3,352,178	\$ 3,337,753
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	44,264	34,363	88,894	121,137	72,028	176,115
Unassigned	-	-	-	-	(25,287)	3,107	24,174	(85,811)	69,021	(2,882)
Reserved	703,620	1,371,379	1,614,184	2,174,144	-	-	-	-	-	-
Unreserved	242,559	(67,635)	(79,992)	(71,640)	-	-	-	-	-	-
Total general fund	<u>\$ 946,179</u>	<u>\$ 1,303,744</u>	<u>\$ 1,534,192</u>	<u>\$ 2,102,504</u>	<u>\$ 3,065,979</u>	<u>\$ 3,547,687</u>	<u>\$ 3,690,008</u>	<u>\$ 3,779,493</u>	<u>\$ 3,493,227</u>	<u>\$ 3,510,986</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ (167,384)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	-	12,013	9,491
Debt service fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	(233,869)	(233,869)	(233,869)	(233,869)	(233,869)	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167,384)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (221,856)</u>	<u>\$ 9,491</u>

Source: ACFR Schedule B-1 and District records.

**BEVERLY CITY SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 4,012,243	\$ 2,719,959	\$ 2,768,851	\$ 2,909,868	\$ 2,925,115	\$ 2,929,015	\$ 2,956,274	\$ 3,035,626	\$ 3,125,946	\$ 3,221,696
Tuition charges	107,743	-	-	65,965	-	-	74,844	-	-	-
Interest earnings	40	1,889	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200
Miscellaneous	3,986	40,657	25,589	15,209	149,475	141,824	108,337	67,544	24,288	100,159
State sources	445,603	4,432,481	4,391,802	5,484,808	4,442,000	4,363,265	4,360,584	4,740,416	5,125,583	5,695,218
Federal sources	53,999	344,010	352,239	345,104	386,809	368,745	398,774	357,318	456,038	1,470,500
<b>Total revenue</b>	<b>4,623,614</b>	<b>7,538,996</b>	<b>7,540,669</b>	<b>8,823,447</b>	<b>7,905,893</b>	<b>7,805,536</b>	<b>7,902,865</b>	<b>8,250,570</b>	<b>8,738,393</b>	<b>10,490,773</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,225,160	1,681,078	1,758,381	1,873,420	1,784,149	1,801,640	1,906,207	1,923,825	2,077,419	2,192,388
Special education instruction	306,228	416,758	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697
Other special instruction	122,798	117,006	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963
<b>Support Services:</b>										
Tuition	886,691	2,189,196	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671
Student & inst. related services	164,838	99,394	109,811	168,457	202,394	193,815	215,485	171,378	174,379	185,644
General administration	128,399	217,921	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649
School administrative services	73,385	20,460	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781
Central services	78,454	140,943	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715
Admin. information technology	3,186	13,292	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818
Plant operations and maintenance	280,173	417,707	425,746	686,129	621,541	591,474	514,473	483,358	480,317	461,530
Pupil transportation	138,189	399,825	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039
Other Support Services	312,466	718,776	619,725	645,775	678,410	709,503	726,783	1,017,121	1,134,319	1,210,976
Employee benefits	804,564	961,526	1,101,468	1,083,702	1,145,816	1,332,080	1,390,617	1,184,750	1,328,915	1,199,302
Special Schools	-	-	-	-	-	-	-	-	-	-
<b>Debt service:</b>										
Principal	-	-	-	51,000	55,000	60,000	60,000	60,000	65,000	65,000
Interest and other charges	-	-	-	27,035	24,194	23,094	21,894	20,694	19,494	18,194
Capital outlay	7,952	28,671	937,967	1,670,111	153,889	21,913	85,128	6,250	21,625	916,300
<b>Total expenditures</b>	<b>4,532,483</b>	<b>7,422,553</b>	<b>8,028,515</b>	<b>8,747,670</b>	<b>7,008,903</b>	<b>7,323,828</b>	<b>7,760,544</b>	<b>8,161,085</b>	<b>9,022,174</b>	<b>10,241,667</b>
Excess (Deficiency) of revenues over (under) expenditures	91,131	116,443	(487,846)	75,777	896,990	481,708	142,321	89,485	(283,781)	249,106
<b>Other Financing sources (uses)</b>										
Transfers in	-	-	1,031,000	8	-	-	-	-	-	233,869
Transfers out	-	-	12,445	(8)	-	-	-	-	-	(233,869)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,043,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 91,131</b>	<b>\$ 116,443</b>	<b>\$ 555,599</b>	<b>\$ 75,777</b>	<b>\$ 896,990</b>	<b>\$ 481,708</b>	<b>\$ 142,321</b>	<b>\$ 89,485</b>	<b>\$ (283,781)</b>	<b>\$ 249,106</b>
Debt service as a percentage of noncapital expenditures	0.002	0.004	0.117	0.197	0.030	0.011	0.019	0.008	0.009	0.009

Source: ACFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay



**BEVERLY CITY SCHOOL DISTRICT**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Special Revenue Interfund</u>	<u>Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2013	4,486	-	-	82,777	-	22,191	109,454
2014	1,889	-	-	-	3,171	37,486	42,546
2015	1,686	-	-	-	3,171	22,418	27,275
2016	2,485	-	-	-	-	15,209	17,694
2017	2,494	-	-	-	-	149,475	151,969
2018	2,687	-	-	-	-	141,824	144,511
2019	4,052	-	-	-	-	108,337	112,389
2020	18,430	-	-	-	-	67,544	85,974
2021	6,538	-	-	-	-	19,796	26,334
2022	3,200	-	-	-	-	92,107	95,307

Source: District records

**BEVERLY CITY SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2013	1,093,000	111,216,400	5,903,300	2,419,900	960,800	121,593,400	149,602	121,743,002	126,157,962	2.244
2014	1,105,500	110,371,900	6,049,100	2,419,900	960,800	120,907,200	126,223	121,033,423	117,961,711	2.288
2015	1,056,400	109,917,300	5,759,500	2,269,900	960,800	119,963,900	100	119,964,000	113,492,888	2.425
2016	991,700	109,065,000	5,580,900	3,757,900	952,700	120,348,200	100	120,348,300	117,741,157	2.430
2017	859,800	108,182,800	5,294,900	4,507,900	953,200	119,798,600	96	119,798,696	121,679,194	2.445
2018	917,600	107,857,700	5,405,100	4,507,900	953,200	119,641,500	97	119,641,597	124,221,603	2.470
2019	906,500	107,498,900	5,327,700	4,507,900	953,900	119,194,900	97	119,194,297	126,358,838	2.470
2020	839,300	107,822,200	5,181,900	4,507,900	953,200	119,304,500	121,007	119,425,507	124,457,021	2.618
2021	732,000	107,639,700	5,122,900	4,292,800	953,200	118,740,600	116,589	118,857,189	120,452,563	2.723
2022	730,800	108,363,200	5,350,100	4,292,800	1,151,900	119,888,800	100,848	119,989,648	129,015,197	2.864

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

**BEVERLY CITY SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**UNAUDITED**  
*(rate per \$100 of assessed value)*

Beverly City		Overlapping Rates				Total Direct and Overlapping Tax Rate
<u>School District Direct Rate</u>		<u>City Of Beverly</u>	<u>Burlington County</u>	<u>County Open Space</u>	<u>Fire District</u>	
Fiscal Year Ended June 30,	<u>Local School</u>					
2013	2.244	1.367	0.377	0.016	0.116	4.120
2014	2.288	1.406	0.356	0.015	0.119	4.184
2015	2.425	1.445	0.354	0.038	0.127	4.389
2016	2.430	1.472	0.360	0.039	0.138	4.439
2017	2.445	1.507	0.371	0.041	0.138	4.502
2018	2.470	1.531	0.358	0.026	0.141	4.526
2019	2.470	1.531	0.358	0.058	0.141	4.558
2020	2.618	1.608	0.359	0.021	0.156	4.762
2021	2.723	1.645	0.379	0.021	0.161	4.929
2022	2.864	1.777	0.382	0.027	0.182	5.232

**Source:** Municipal Tax Collector

R = Reevaluation

**BEVERLY CITY SCHOOL DISTRICT  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
UNAUDITED**

	2022				2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
CRC Group Inc.	\$2,250,000		1.88%	Taxpayer 1	\$ -		0.00%
Cook	484,800		0.40%	Taxpayer 2	-		0.00%
Whitman	464,600		0.39%	Taxpayer 3	-		0.00%
Code 3 Properties	422,400		0.35%	Taxpayer 4	-		0.00%
Whitman	464,600		0.39%	Taxpayer 5	-		0.00%
Railroad Avenue Associates	420,100		0.35%	Taxpayer 6	-		0.00%
McMichael	412,500		0.34%	Taxpayer 7	-		0.00%
Crisonino	372,000		0.31%	Taxpayer 8	-		0.00%
Cecchi	354,600		0.30%	Taxpayer 9	-		0.00%
Adiputra	330,000		0.28%	Taxpayer 10	-		0.00%
<b>Total</b>	<b>\$ 5,975,600</b>		<b>4.98%</b>	<b>Total</b>	<b>\$ -</b>		<b>0.00%</b>

Source: Municipal Tax Assessor

**BEVERLY CITY SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
UNAUDITED**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Current Tax Collections	Percentage of Levy	
2013	2,744,959	2,744,959	100.00%	-
2014	2,719,959	2,719,959	100.00%	-
2015	2,768,851	2,768,851	100.00%	-
2016	2,909,868	2,909,868	100.00%	-
2017	2,925,115	2,925,115	100.00%	-
2018	2,956,274	2,956,274	100.00%	-
2019	3,035,626	3,035,626	100.00%	-
2020	3,125,946	3,125,946	100.00%	-
2021	3,221,696	3,221,696	100.00%	-
2022	5,779,673	5,779,673	100.00%	-

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

**BEVERLY CITY SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total District</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>Certificates of Participation</u>	<u>Capital Leases</u>			
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-

**BEVERLY CITY SCHOOL DISTRICT**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	-	-	-	0.0000%	-
2014	-	-	-	0.0000%	-
2015	1,031,000	-	1,031,000	0.8740%	407.19
2016	980,000	-	980,000	0.8635%	389.51
2017	925,000	-	925,000	0.7856%	370.15
2018	865,000	-	865,000	0.7109%	347.67
2019	805,000	-	805,000	0.6480%	323.81
2020	745,000	-	745,000	0.5896%	299.80
2021	680,000	-	680,000	0.5464%	274.19
2022	615,000	-	615,000	0.4941%	246.89

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

<sup>a</sup> See Exhibit J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit J-14.

**BEVERLY CITY SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2022**  
**UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Burlington	\$ -	0.000%	\$ -
Subtotal, overlapping debt			-
<b>Total direct and overlapping debt</b>			<b>\$ -</b>

**Sources:** Burlington County 2008 Abstract of Ratables, Beverly City, County of Burlington



**BEVERLY CITY SCHOOL DISTRICT  
Legal Debt Margin Information,  
Last Ten Years  
UNAUDITED**

Equalized valuation basis		2022	119,989,648
		2021	119,425,507
		2020	119,194,297
		<b>[A]</b>	<u>358,609,452</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$	119,536,484
<b>Debt limit (3% of average equalization value)</b>	<b>[B]</b>		3,586,097 <sup>▪</sup>
	<b>[C]</b>		-
	<b>[B-C]</b>	\$	<u>3,586,097</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 2,902,450	\$ 3,279,216	\$ 3,624,645	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 2,902,450	\$ 3,279,216	\$ 3,624,645	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

<sup>▪</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**BEVERLY CITY SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**UNAUDITED**

Year	Population <sup>a</sup>	Burlington County Per	
		Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2013	2,538	51,643	14.1%
2014	2,532	53,572	9.7%
2015	2,516	55,925	7.8%
2016	2,499	57,583	6.6%
2017	2,488	59,271	6.1%
2018	2,486	61,140	5.7%
2019	2,485	63,528	4.7%
2020	2,480	67,154	11.1%
2021	2,491	-	0.0%
2022	-	-	0.0%

**Source:**

\* 2010 Census

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development<sup>b</sup> Personal income estimated<sup>c</sup> Per capita information provided by the US Department of Commerce, Bureau of Economic Analysis.<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BEVERLY CITY SCHOOL DISTRICT**  
**Principal Employers,**  
**Current Year and Nine Years Ago**  
**UNAUDITED**

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Information not available	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

**BEVERLY CITY 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	18.0	19.0	18.0	18.0	20.0	20.0	20.0	20.0	20.0	23.0
Special education	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	7.0
Other special education	5.0	5.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0
Support Services:										
Student & instruction related services	13.5	11.5	12.0	12.0	13.0	13.0	17.0	17.0	17.0	22.0
School Administrative Services	2.0	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0
General administration	3.5	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0	2.0
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Pupil transportation	-	-	-	-	-	-	1.0	1.0	1.0	0.5
Business & Other support services	5.0	5.0	5.0	5.0	5.0	5.0	6.2	6.2	6.2	1.5
<b>Total</b>	<u><u>54.5</u></u>	<u><u>54.0</u></u>	<u><u>54.5</u></u>	<u><u>54.5</u></u>	<u><u>58.0</u></u>	<u><u>58.0</u></u>	<u><u>63.2</u></u>	<u><u>63.2</u></u>	<u><u>63.2</u></u>	<u><u>64.0</u></u>

**Source:** District Personnel Records

\* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

**BEVERLY CITY SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**UNAUDITED**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2013	310	7,288,059	23,510	5.06%	27.00	11.3/1	308.0	289.0	4.50%	93.83%
2014	295	6,709,293	22,743	5.06%	29.00	9.6:1	289.8	271.2	-5.91%	93.58%
2015	295	6,779,229	22,980	5.06%	29.00	10.5/1	302.6	284.5	4.42%	94.02%
2016	291	6,563,796	22,556	1.04%	18.00	10.5/1	294.2	279.9	-2.78%	95.14%
2017	295	6,463,650	21,364	-1.85%	31.00	9.5/1	303.8	287.8	3.26%	94.73%
2018	305	6,997,658	22,943	7.39%	31.00	9.8/1	293.3	279.2	-3.46%	95.19%
2019	304	7,593,522	24,979	8.87%	30.00	10.1/1	307.4	290.8	4.81%	94.60%
2020	317	8,074,141	25,470	11.02%	30.00	10.5/1	317.4	298.2	3.15%	93.95%
2021	324	8,916,055	27,519	19.94%	30.00	9.3/3	318.8	293.2	0.44%	91.97%
2022	334	9,242,173	27,671	20.61%	34.00	10.2/1	329.4	290.3	3.31%	88.15%

**Sources:** District records

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

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

**BEVERLY CITY SCHOOL DISTRICT  
School Building Information  
Last Ten Fiscal Years  
UNAUDITED**

	<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>
<b><u>District Building</u></b>										
<u>Elementary</u>										
BEVERLY CITY Elementary										
Square Feet	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	310	295	295	291	295	305	304	317	324	334

Number of Schools at June 30, 2022:

Elementary = 1

**Source:** District Facilities Office

**BEVERLY CITY SCHOOL DISTRICT  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
UNAUDITED**

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

* School Facilities Project # (s)	Beverly City Elementary School	Total
2013	155,048	155,048
2014	70,171	70,171
2015	66,132	66,132
2016	69,084	69,084
2017	68,733	68,733
2018	89,143	89,143
2019	73,577	73,577
2020	49,757	49,757
2021	101,287	101,287
2022	85,098	85,098
<b>Total School Facilities</b>	<b>\$ 828,030</b>	<b>\$ 828,030</b>

\* 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

**BEVERLY CITY SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2022  
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Commercial package policy - NJSIG		
Building, Contents, Extra Expense Valuable Papers	\$ 8,532,321	\$ 5,000
Extra expense	50,000,000	5,000
Valuable papers	10,000,000	5,000
(Blanket Aggregate)		
Liability (General & Auto )	31,000,000	-
Automobile Liability	31,000,000	-
Crime	250,000	1,000
Student Accident - Bollinger	1,000,000	-
School board legal liability - NJSBAIG	31,000,000	5,000
Worker's compensation - NJSBAIG	3,000,000	-
Statutory Plus Supplement		
Public Official Bonds - Selective Insurance Company:		
Treasurer of School Monies	250,000	
Board Secretary/Business Administration	175,000	
Cyber Insurnace - HSB Speciiilaty Insurance Company	500,000	10,000
Pollution Liability - NJSIG	1,000,000	50,000

Source: District Records



SINGLE AUDIT SECTION



K-1

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

Honorable President and  
Members of the Board of Education  
Beverly City School District  
County of Burlington  
Beverly, New Jersey 08010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of the Beverly City School District basic financial statements, and have issued our report thereon dated March 1, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Beverly City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

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

Respectfully Submitted,

Jump, Perry and Company, L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, New Jersey  
March 1, 2023



K-2

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

Honorable President and  
Members of the Board of Education  
Beverly City School District  
County of Burlington  
Beverly, New Jersey 08010

**Report on Compliance for Each Major Federal and State Program**  
*Opinion on Each Major Federal and State Program*

We have audited Beverly City School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Beverly City School District's major federal and state programs for the year ended June 30, 2022. Beverly City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beverly City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Beverly City School 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 program. Our audit does not provide a legal determination of Beverly City School 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 Beverly City School District's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Beverly City School 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 Beverly City School 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 OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Beverly City School 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 and state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and 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 and New Jersey OMB Circular 15-08,. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jump, Perry and Company, L.L.P.  
Toms River, New Jersey



Kathryn Perry, Partner  
Licensed Public School Accountant  
No. CS 20CS00226400

Toms River, New Jersey  
March 1, 2023

**BEVERLY CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2022		
			From	To					Accounts Receivable	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>											
General Fund:											
Medical Assistance Program	93.778	10,791	7/1/2021	6/30/2022	\$ -	\$ 10,791	\$ (10,791)	\$ -	\$ -	\$ -	\$ -
Impact Aid	84.041	9,570	7/1/2021	6/30/2022	-	9,570	(9,570)	-	-	-	-
					-	20,361	(20,361)	-	-	-	-
<b>U.S. Department of Agriculture</b>											
<b>Passed-through State Department of Education:</b>											
Food Service Fund:											
Food Distribution Program	10.565	34,303	7/1/2021	6/30/2022	-	34,303	(34,303)	-	-	-	-
P-EBT Administrative Costs Grant	10.649	1,242	7/1/2021	6/30/2022	-	1,242	(1,242)	-	-	-	-
Child Nutrition Cluster:											
Emergency Operational Cost Program - Schools	10.555	4,915	7/1/2021	6/30/2022	-	4,915	(4,915)	-	-	-	-
Summer Food Service for Children	10.559	154,488	7/1/2020	6/30/2021	(27,540)	27,540	-	-	-	-	-
Summer Food Service for Children	10.559	279,194	7/1/2021	6/30/2022	-	260,266	(279,194)	-	(18,928)	-	-
Subtotal of Child Nutrition Cluster					(27,540)	293,963	(285,351)	-	(18,928)	-	-
Total Food Service Fund					(27,540)	328,266	(319,654)	-	(18,928)	-	-
<b>U.S. Department of Education</b>											
<b>Passed-through State Department of Education</b>											
Special Revenue Fund:											
Special Education Cluster											
I.D.E.A. Part B, Basic Regular	84.027	3,410	7/1/2021	6/30/2022	-	-	(3,410)	-	(3,410)	-	-
I.D.E.A. Part B, Basic Regular	84.027	-	7/1/2020	6/30/2021	-	-	-	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	122,570	7/1/2021	6/30/2022	-	84,875	(122,570)	-	(37,695)	-	-
ARP I.D.E.A Basic	84.027X	17,440	7/1/2021	6/30/2022	-	17,440	(17,440)	-	-	-	-
ARP I.D.E.A Preschool	84.173X	1,479	7/1/2021	6/30/2022	-	1,479	(1,479)	-	-	-	-
Subtotal of Special Education Cluster					-	103,794	(144,899)	-	(41,105)	-	-
Title I, Part A	84.010	138,852	7/1/2021	6/30/2022	-	138,852	(138,852)	-	-	-	-
Title I, Part A	84.010	180,852	7/1/2020	6/30/2021	(5,522)	5,522	-	-	-	-	-
Title II, Part A	84.168	10,714	7/1/2021	6/30/2022	-	10,714	(10,714)	-	-	-	-
Title II, Part A	84.168	-	7/1/2020	6/30/2021	-	-	-	-	-	-	-
Title IV	84.424	-	7/1/2020	6/30/2021	-	-	-	-	-	-	-
Title IV	84.424	12,086	7/1/2021	6/30/2022	-	12,086	(12,086)	-	-	-	-
Education Stabilization Funds:											
CARES Emergency Relief Grant	84.425D	139,669	3/13/2020	9/30/2021	(7,235)	94,669	(87,434)	-	-	-	-
CARES Emergency Relief Grant	84.425D	26,423	7/1/2020	6/30/2021	26,423	-	(26,423)	-	-	-	-
CRRSA-ESSER II	84.425D	542,782	7/1/2021	6/30/2022	-	542,782	(542,782)	-	-	-	-
CR Learning Acceleration	84.425D	34,833	7/1/2021	6/30/2022	-	34,833	(34,833)	-	-	-	-
CR Mental Health	84.425D	45,000	7/1/2021	6/30/2022	-	45,000	(45,000)	-	-	-	-
ARP ESSER	84.425U	1,219,868	7/1/2021	6/30/2022	-	388,712	(388,712)	-	-	-	-
ARP Accelerated Learning Coach and Educator Support	84.425U	50,000	7/1/2021	6/30/2022	-	14,904	(14,904)	-	-	-	-
ARP Evidence Based Comprehensive Beyond the School Day	84.425U	40,000	7/1/2021	6/30/2022	-	3,500	(3,500)	-	-	-	-
Subtotal Elementary and Secondary Education Cluster					19,188	1,124,400	(1,143,588)	-	-	-	-
Total Special Revenue Fund					13,666	1,395,368	(1,450,139)	-	(41,105)	-	-
					\$ (13,874)	\$ 1,743,995	\$ (1,790,154)	\$ -	\$ (60,033)	\$ -	\$ -

See accompanying notes to schedules of expenditures.

**BEVERLY CITY SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Year Ended June 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Balance at June 30, 2022			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>												
<b>General Fund:</b>												
Transportation Aid	22-495-034-5120-014	\$ 193,173	7/1/2021	6/30/2022	\$ -	\$ 174,394	\$ (193,173)	\$ -	\$ -	\$ -	\$ 18,779	\$ 193,173
Special Education Aid	22-495-034-5120-012	182,606	7/1/2021	6/30/2022	-	164,854	(182,606)	-	-	-	17,752	182,606
Equalization Aid	22-495-034-5120-078	3,201,807	7/1/2021	6/30/2022	-	2,890,548	(3,201,807)	-	-	-	311,259	3,201,807
Extraordinary Aid	21-495-034-5120-044	102,493	7/1/2020	6/30/2021	(102,493)	102,493	-	-	-	-	-	-
Extraordinary Aid	22-495-034-5120-044	146,092	7/1/2021	6/30/2022	-	-	(146,092)	(146,092)	-	-	-	146,092
Security Aid	22-495-034-5120-084	105,269	7/1/2021	6/30/2022	-	95,035	(105,269)	-	-	-	10,234	105,269
Adjustment Aid	22-495-034-5120-085	758,309	7/1/2021	6/30/2022	-	684,592	(758,309)	-	-	-	73,717	758,309
Non-Public Transportation	21-495-034-5120-014	7,540	7/1/2020	6/30/2021	(7,540)	7,540	-	-	-	-	-	-
Non-Public Transportation	22-495-034-5120-014	6,960	7/1/2021	6/30/2022	-	-	(6,960)	(6,960)	-	-	-	6,960
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	932,579	7/1/2021	6/30/2022	-	932,579	(932,579)	-	-	-	-	932,579
On-Behalf TPAF Post-Retirement Medical	22-495-034-5094-001	217,888	7/1/2021	6/30/2022	-	217,888	(217,888)	-	-	-	-	217,888
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	550	7/1/2021	6/30/2022	-	550	(550)	-	-	-	-	550
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	-	7/1/2020	6/30/2021	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	202,307	7/1/2021	6/30/2022	-	202,307	(202,307)	-	-	-	-	202,307
<b>Total General Fund</b>					<b>(110,033)</b>	<b>5,472,780</b>	<b>(5,947,540)</b>	<b>(153,052)</b>	<b>-</b>	<b>-</b>	<b>431,741</b>	<b>5,947,540</b>
<b>Special Revenue Fund:</b>												
SDA Emergency	22-100-034-5120-519	6,168	7/1/2021	6/30/2022	-	6,168	(6,168)	-	-	-	-	6,168
Preschool Education Aid	22-495-034-5120-086	739,915	7/1/2021	6/30/2022	-	739,915	(739,915)	-	-	-	-	739,915
<b>Total Special Revenue Fund</b>					<b>-</b>	<b>746,083</b>	<b>(746,083)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>746,083</b>
<b>Food Service Fund:</b>												
National School Lunch Program (State Shared)	22-100-010-3360-067	4,554	7/1/2021	6/30/2022	-	4,255	(4,554)	(299)	-	-	-	-
National School Lunch Program (State Shared)	21-100-010-3360-067	2,344	7/1/2020	6/30/2021	(703)	703	-	-	-	-	-	-
<b>Total Food Services Fund</b>					<b>(703)</b>	<b>4,958</b>	<b>(4,554)</b>	<b>(299)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance for testing</b>					<b>\$ (110,736)</b>	<b>\$ 6,223,821</b>	<b>\$ (6,698,177)</b>	<b>\$ (153,351)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 431,741</b>	<b>\$ 6,693,623</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>												
<b>General Fund:</b>												
On-Behalf TPAF Pension Contribution	22-495-034-5094-002	932,579	7/1/2021	6/30/2022	-	932,579	(932,579)	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	22-495-034-5094-001	217,888	7/1/2021	6/30/2022	-	217,888	(217,888)	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	550	7/1/2021	6/30/2022	-	550	(550)	-	-	-	-	-
<b>Total State Financial Assistance Not Subject to Single Audit Determination</b>					<b>-</b>	<b>1,151,017</b>	<b>(1,151,017)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (110,736)</b>	<b>\$ 5,072,804</b>	<b>\$ (5,547,160)</b>	<b>\$ (153,351)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 431,741</b>	<b>\$ 6,693,623</b>

See accompanying notes to schedules of expenditures.



## Beverly City School District

## Notes to the Schedules of Awards and Financial Assistance

June 30, 2022

## 1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Beverly City School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

## 2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

## 3. Relationship to General Purpose Financial Statements

## Relationship to Basic Financial Statements

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

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

## Beverly City School District

## Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2022

## 3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(998,405) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 20,361	\$ 4,949,135	\$ 4,969,496
Special Revenue Fund	1,450,139	746,083	2,196,222
Capital Projects Fund	-	-	-
Food Service Fund	<u>285,351</u>	<u>4,554</u>	<u>289,905</u>
Total awards and financial assistance	<u>\$ 1,755,851</u>	<u>\$ 5,699,772</u>	<u>\$ 7,455,623</u>

## 4. Relationship to Federal and State Financial Reports

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

## 5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2022.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

## 6. Indirect Costs

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

Beverly City School District  
Schedule of Findings and Questioned Costs

June 30, 2022

**Section I - Summary of Auditor's Results**

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to general-purpose financial statements noted?  yes  no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified?  yes  no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?  yes  no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
Elementary and Secondary Education Cluster:	
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

Beverly City School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2022

**Section I - Summary of Auditor's Results (continued)**

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

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

Internal Control over major programs:

- |   |          |                   |
|---|----------|-------------------|
| 1) Material weakness(es) identified?  | _____yes | _X_ no            |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____yes | _X_ none reported |

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	_____yes	_X_ no
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Identification of major programs:

GMIS Number(s)	Name of State Program
<u>State Aid-Public Cluster</u>	
495-034-5020-078	Equalization Aid
495-034-5020-085	Adjustment Aid
495-034-5020-089	Special Education Aid
495-034-5020-084	Security Aid

**Section II - Financial Statements Findings - N/A**

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A**

Beverly City School District  
Summary Schedule of Prior Audit Findings  
June 30, 2022

**Summary Schedule of Prior Audit Findings** - N/A