

SCHOOL DISTRICT
OF
BLAIRSTOWN TOWNSHIP

Blairstown Township School District
Board of Education
Blairstown, Warren County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Blairstown Township School District

Board of Education

Blairstown, New Jersey

For the Fiscal Year Ending June 30, 2022

Prepared by

Blairstown Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	7-9
Required Supplementary Information – Part I Management's Discussion and Analysis	11-18
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	31-58
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule--General Fund	61-69
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule--Special Revenue Fund	70
Notes to Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	71

OUTLINE OF ACFR

Required Supplementary Information – Part III		<u>Page</u>
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1/L-3 Schedule of the District's Proportionate Share of the Net Pension Liability	72
	L-2 Schedule of District Contributions	73
M.	Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
	M-1 Schedule of the Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	74
	Notes to Required Supplementary Information - Part III	75
	Supplementary Information	
D.	School Level Schedules:	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
	D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	78
	E-2 Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
	F-1 Summary Schedule of Project Expenditures	N/A
	F-2 Summary Schedule of Revenues and Expenditures	N/A
	F-2a Detailed Schedule of Revenues and Expenditures-Window Replacement	N/A
G.	Proprietary Funds	
	Enterprise Fund:	
	G-1 Combining Statement of Net Position	See B-4
	G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
	G-3 Combining Statement of Cash Flows	See B-6
	Internal Service Fund:	
	G-4 Combining Statement of Net Position	N/A
	G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-6 Combining Statement of Cash Flows	N/A
H.	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Net Position	N/A
	H-2 Combining Statement of Changes in Fiduciary Net Position	N/A

OUTLINE OF ACFR

Supplementary Information – (Continued)		<u>Page</u>
I.	Long-Term Debt:	N/A
I-1	Schedule of Serial Bonds	N/A
I-2	Schedule of Obligations Under Capital Leases	N/A
I-3	Budgetary Comparison Schedule Debt Service Fund	N/A
I-4	Schedule of Notes Payable	N/A

STATISTICAL SECTION (Unaudited)

		<u>Page</u>
Introduction to the Statistical Section		
Financial Trends		
J-1	Net Position by Component	84
J-2	Changes in Net Position	85-86
J-3	Fund Balances - Governmental Funds	87
J-4	Changes in Fund Balances - Governmental Funds	88
J-5	General Fund Other Local Revenue by Source	89
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	90-91
J-7	Direct and Overlapping Property Tax Rates	92-93
J-8	Principal Property Taxpayers	94-95
J-9	Property Tax Levies and Collections	96
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	97
J-11	Ratios of General Bonded Debt Outstanding	98
J-12	Direct and Overlapping Governmental Activities Debt	99
J-13	Legal Debt Margin Information	100
Demographic and Economic Information		
J-14	Demographic and Economic Statistics	101
J-15	Principal Employers	102
Operating Information		
J-16	Full-time Equivalent District Employees by Function/Program	103
J-17	Operating Statistics	104
J-18	School Building Information	105
J-19	Schedule of Required Maintenance Expenditures by School Facility	106
J-20	Insurance Schedule	107

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	109-110
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's circular 15-08	111-113
K-3	Schedule of Expenditures of Federal Awards, Schedule A	114
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	115
K-5	Notes to the Schedules of Awards and Financial Assistance	116-117
K-6	Schedule of Findings and Questioned Costs	118-120
K-7	Summary Schedule of Prior Audit Findings	121

Introductory Section

Blairstown Board of Education

P.O. Box E
One Sunset Hill Road
Blairstown, New Jersey 07825

Phone (908) 362-8536 Fax (908) 362-9638

January 26, 2023

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

Dear Board Members:

The comprehensive annual financial report of the Blairstown School District (District) for the fiscal year ending June 30, 2022, is now submitted. Responsibility for the data's accuracy and the presentation's completeness and fairness, including all disclosures, rests with the management of the 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 the financial position and results of operations of the various funds and account groups of the District fairly. All disclosures necessary to enable the reader to understand 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 general purpose financial statements and schedules and the auditor's report. The statistical section includes selected financial and demographic information, generally presented multi-yearly. The District is required to undergo a single annual audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, *Audits of State and Local Governments*, and the state Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Six and operates a full spectrum program for children with disabilities. These services include regular as well as special education for handicapped youngsters. The Pre-Kindergarten program will continue bringing additional students into the building now that the District has two classes. The District completed the 2019-2020 fiscal year with an average enrollment of 468 students. The following details the district's student enrollment changes over the last five years.

Fiscal Year Average Daily Student Enrollment Percent Change

2012-2013	554	-8.2%
2013-2014	531	-4.3%
2014-2015	542	+2%
2015-2016	508	-6.3%
2016-2017	481	-5.3%
2017-2018	464	-3.7%
2018-2019	458	-1.3%
2019-2020	468	+2.18%
2020-2021	404	-12.7%

2) ECONOMIC CONDITION AND OUTLOOK: Enrollment has been decreasing over the last several years, as outlined above. Annual reductions in state aid are a concern for the future of this district, particularly if enrollment increases with the 2% cap in mind.

3) MAJOR INITIATIVES:

The district is continuing to use Linkit! for its benchmark assessments. Students take three benchmark assessments in math and ELA. The data is utilized for Rtl to drive instruction to enhance learning and student achievement further.

The district has completed its 1:1 initiative, as every classroom has a Chromebook cart and 25 Chromebooks. Kindergarten through second grade has touchscreen

Chromebooks. Also, the district is in the process of replacing smartboards with Promethean boards. At this time, we have replaced 12.

Professional development includes training in readers/writers workshop with Jennifer Serravallo. The focus is on enhancing reading skills. Also, the district is working with motivational speaker Steve Bollar, aka Stand Tall Steve. Steve is working with the administration, teachers, and students further to enhance the culture and climate of the district.

The district is continuing to improve our RtI process by working with IDE on implementing tier 1 interventions in the classroom.

Fountas and Pinnell's intervention and remediation strategies will continue to be implemented.

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. 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 an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) BUDGETARY CONTROLS: Besides internal accounting controls, the District maintains budgetary controls. These budgetary controls aim to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the municipality's voters. Annual appropriated budgets are adopted for the general and special revenue funds. 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 records outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The District's accounting system is organized based on 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.

8) CASH MANAGEMENT: The District's investment policy is largely guided by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 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 funds are secured following the Act.

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

10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Ardito & Company. In addition to meeting the requirements outlined in state statutes, the audit was also designed to meet the Single Audit Act of 1984 and the related OMB Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Blairstown School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,

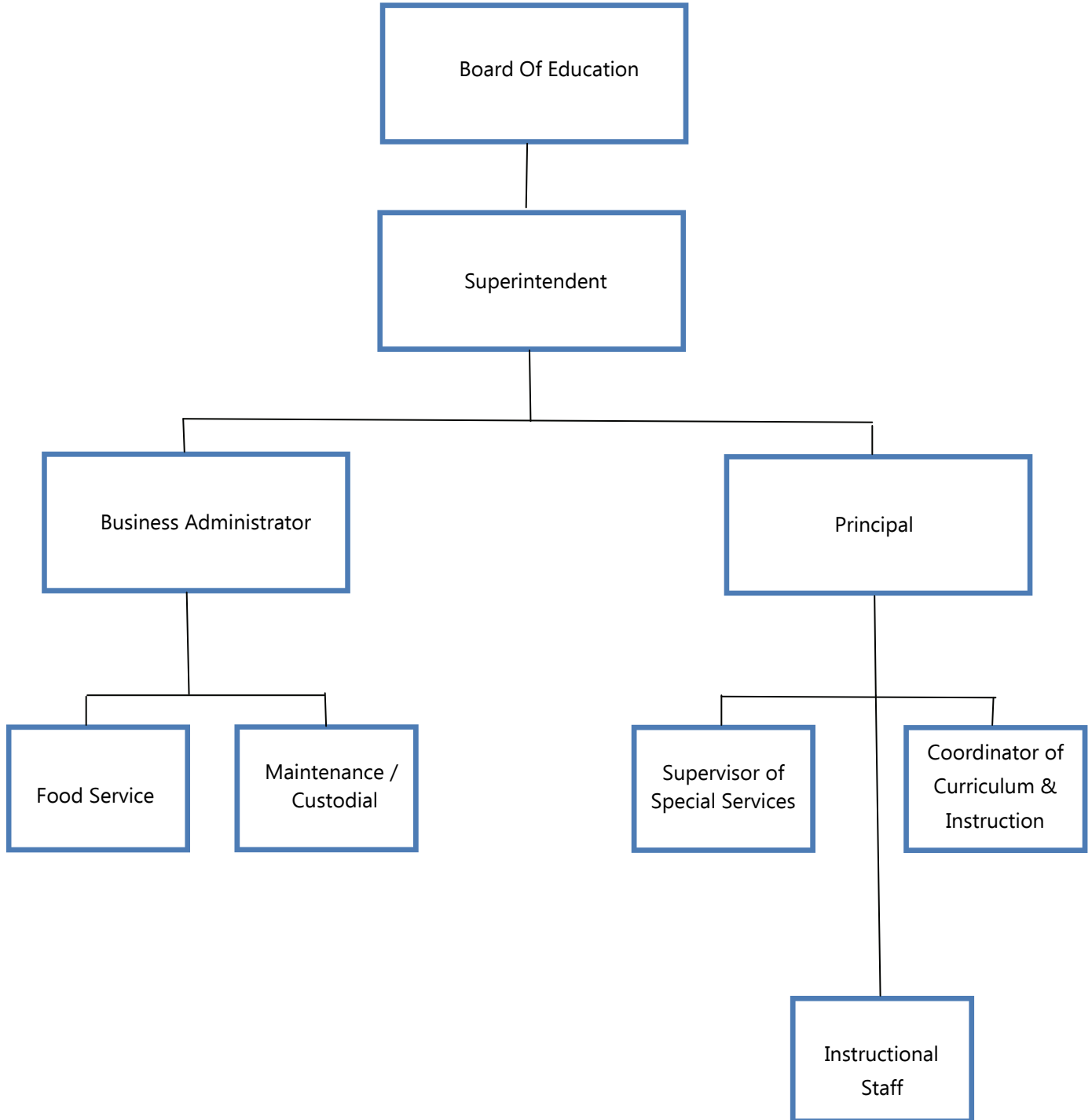

Dr. Patrick Ketch
Superintendent


Matthew P. Herzer
School Business Administrator

BLAIRSTOWN ELEMENTARY SCHOOL

P.O. Box E
One Sunset Hill Road
Blairstown, N.J. 07825

ORGANIZATIONAL CHART



**BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jeremy Cook, President	2023
Jennifer McElroy, Vice-President	2023
Kathryn Hawkswell	2024
Sotie Hambos	2024
Karen Klein	2022
Michelle Gerhardt	2022
Stefanie Fredericks	2022
Brad Van Valkenburg	2023
Shanna Sikkes	2024

Other Officials

Dr. Patrick Ketch, Superintendent

Colleen Silvestri, Principal

Matthew Herzer, Business Administrator/Board Secretary

Joseph Schneider, Treasurer

**BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ARCHITECT

FK Architects
306 Ramapo Valley Road
Oakland, NJ 07436

AUDIT FIRM

Ardito & Company LLC
Anthony Ardito
1110 Harrison Street, Suite C
Frenchtown, NJ 08825

ATTORNEY

Adams Gutierrez & Lattiboudere, LLC
Andrew Brown, Esquire
1037 Raymond Boulevard, Suite 900
Newark, NJ 07102

OFFICIAL DEPOSITORY

First Hope Bank
P.O. Box 296
Hope, NJ 07844

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Blairstown Township School District
County of Warren
Blairstown, New Jersey 07825

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Blairstown Township School District Board of Education, 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 the Blairstown Township School District Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

-Continued-

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

-Continued-

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

**Required Supplementary Information -
Part I**

Management's Discussion and Analysis

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ In total, Net Position increased \$736,196 which represents a 47.1% increase from 2021.
- ◆ General revenues accounted for \$7,621,079 in revenue or 66.9% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,774,145 or 33.1% of total revenues of \$11,395,224.
- ◆ Total assets of governmental activities increased by \$1,149,245, as cash and cash equivalents decreased by \$90,358, receivables increased by \$1,100,734, and capital assets increased by \$138,579.
- ◆ The School District had \$10,659,028 in expenses; only \$3,774,145 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,621,079 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,929,527 in revenues and \$10,535,272 in expenditures. The General Fund's surplus balance increased \$394,255 over 2021, which compares favorably to the budgeted decrease of \$602,526.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2022 compared to 2021.

	<u>2022</u>	<u>2021</u>
Table 1 Net Position		
Assets		
Current and Other Assets	\$ 3,186,537	\$ 2,175,871
Capital Assets	<u>1,605,804</u>	<u>1,467,225</u>
Total Assets	<u>4,792,341</u>	<u>3,643,096</u>
Deferred Outflows of Resources	<u>158,550</u>	<u>280,467</u>
Liabilities		
Long-Term Liabilities	1,116,933	1,392,621
Other Liabilities	<u>864,945</u>	<u>305,054</u>
Total Liabilities	<u>1,981,878</u>	<u>1,697,675</u>
Deferred Inflows of Resources	<u>668,779</u>	<u>661,850</u>
Net Position		
Invested in Capital Assets, Net of Debt	1,605,804	1,467,225
Restricted	(50,739)	(186,919)
Unrestricted	<u>745,169</u>	<u>283,732</u>
Total Net Position	<u>\$ 2,300,234</u>	<u>\$ 1,564,038</u>

Total assets of governmental activities increased by \$1,149,245, as cash and cash equivalents decreased by \$90,358, receivables increased by \$1,100,734, and capital assets increased by \$138,579.

The cash decrease and receivable increase was due to the final tax levy payment received from the constituent townships in the subsequent year, as well as federal grants spending in advance of reimbursement. The increase in capital assets was due to capital additions, net of depreciation expense.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Table 2 shows the changes in Net Position from fiscal year 2021.

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 66,108	\$ 1,776
Operating Grants and Contributions	3,708,037	5,155,851
General Revenues:		
Property Taxes	7,196,000	6,900,000
Federal & State Aid on Capital Asset Projects	-	-
Investment Earnings	5,066	4,633
Other	420,013	85,810
Total Revenues	<u>11,395,224</u>	<u>12,148,070</u>
 Program Expenses		
Instruction	5,747,788	6,309,289
Support Services:		
Tuition	194,031	261,251
Pupils and Instructional Staff	1,776,382	1,924,603
General Administration, School Administration, Business	783,985	868,984
Operations and Maintenance of Facilities	987,648	1,424,681
Pupil Transportation	856,141	918,277
Business-Type Activities	189,177	48,954
Interest and Fiscal Charges	123,876	96,092
Total Expenses	<u>10,659,028</u>	<u>11,852,131</u>
 Increase in Net Position	 <u>\$ 736,196</u>	 <u>\$ 295,939</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 63.1% percent of revenues for governmental activities for the Blairstown Township School District for the fiscal year 2022.

Instruction comprises 53.9% of district expenses. Support services expenses make up 43.1% of the expenses.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 5,747,788	\$ 3,681,149	\$ 6,309,289	\$3,464,225
Support Services:				
Tuition	194,031	135,918	261,251	154,635
Pupils and Instructional Staff	1,776,382	1,149,648	1,924,603	1,098,889
General Admin., School Admin., Business	783,985	549,180	868,984	514,353
Operation and Maintenance of Facilities	987,648	691,845	1,424,681	843,271
Pupil Transportation	856,141	599,725	918,277	543,530
Business-Type Activities	189,177	(46,458)	48,954	(20,491)
Interest and Fiscal Charges	<u>123,876</u>	<u>123,876</u>	<u>96,092</u>	<u>96,092</u>
Total Expenses	<u>\$ 10,659,028</u>	<u>\$ 6,884,883</u>	<u>\$ 11,852,131</u>	<u>\$ 6,694,504</u>

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

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

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

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

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

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

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

The dependence upon tax revenues is apparent. Over 64.0% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 68.0%. The community, as a whole, is the primary support for the Blairstown Township School District.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$11,387,071 and expenditures of \$10,988,216. The General Fund's surplus balance increased \$394,255 over 2021, which compares favorably to the budgeted decrease of \$602,526.

General Fund Budgeting Highlights

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

During the course of the fiscal 2022 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,983,248, \$487,612 over original budgeted estimates of \$8,495,636. This difference was due primarily to the sale of land and other non-budgeted miscellaneous revenues.

General fund revenues exceeded expenditures by \$364,315. Again this surplus compares to a budgeted deficit of \$602,526, which was due to the budgeted use of surplus needed to balance the 2021-2022 budget. The budgeted deficit was reduced due to revenue increases and cost savings in the areas of instruction, maintenance, and benefits.

Overall general fund balance (budget basis) was \$2,337,117, and amounts ear-marked and reserved for future purposes were \$1,901,273, creating a surplus in unreserved fund balance of \$435,844. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Capital Assets

At the end of the fiscal year 2022, the School District had \$1,595,079 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

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

	<u>2022</u>	<u>2021</u>
Land	\$ 500,000	\$ 500,000
Land Improvements	-	-
Buildings and Improvements	971,087	906,649
Machinery and Equipment	<u>123,992</u>	<u>44,488</u>
 Totals	 <u>\$ 1,595,079</u>	 <u>\$ 1,451,137</u>

Overall capital assets increased \$143,942 from fiscal year 2021 to fiscal year 2022. The increase in capital assets was due to capital improvements, net of depreciation expense for the year.

Capital improvements of \$282,305 were purchased during fiscal year 2022.

Debt Administration

At June 30, 2022, the School District had \$208,313 as outstanding long term debt. Of this amount, \$208,313 is for compensated absences.

At June 30, 2022, the School District’s overall legal debt margin was \$18,719,003 and the unvoted debt margin was the same.

For the Future

In conclusion, the Blairstown Township School District has committed itself to financial excellence for many years. In addition, the School District’s system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Matthew Herzer, School Business Administrator/Board Secretary at Blairstown Township School District, PO Box E, One Sunset Hill Road, Blairstown, NJ 07825.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION
JUNE 30, 2022

	GOVERNMENTAL BUSINESS-TYPE		
	<u>ACTIVITIES</u>	<u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,605,710	\$ 46,230	\$ 1,651,940
Receivables, Net	1,473,842	17,592	1,491,434
Interfund Receivables	-	38,003	38,003
Inventory		5,160	5,160
Capital Assets, Net (Note 5):	1,595,079	10,725	1,605,804
Total Assets	4,674,631	117,710	4,792,341
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	158,550		158,550
LIABILITIES			
Accounts Payable	81,070	9,474	90,544
Payroll Deductions and Withholdings	183,052		183,052
Unemployment Compensation Claims Payable	12,463		12,463
Interfund Payables	38,003		38,003
Unearned Revenue	539,489	1,394	540,883
Net Pension Liability (Note 7)	908,620		908,620
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	208,313		208,313
Total Liabilities	1,971,010	10,868	1,981,878
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	668,779		668,779
NET POSITION			
Invested in Capital Assets, Net of Related Debt	1,595,079	10,725	1,605,804
Restricted for:			
Other Purposes	(50,739)		(50,739)
Unrestricted	649,052	96,117	745,169
Total Net Position	\$ 2,193,392	\$ 106,842	\$ 2,300,234

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 3,981,156	\$ 19,183	\$ 1,518,345		\$ (2,443,628)		\$ (2,443,628)
Special Education	1,494,822	7,202	440,501		(1,047,119)		(1,047,119)
Other Special Instruction	271,810	1,310	80,098		(190,402)		(190,402)
Support Services:							
Tuition	194,031	935	57,178		(135,918)		(135,918)
Student & Instruction Related Services	1,776,382	8,559	618,175		(1,149,648)		(1,149,648)
School Administrative Services	216,059	1,041	63,669		(151,349)		(151,349)
General and Business Admin. Services	567,926	2,736	167,359		(397,831)		(397,831)
Plant Operations and Maintenance	987,648	4,759	291,044		(691,845)		(691,845)
Pupil Transportation	856,141	4,125	252,291		(599,725)		(599,725)
Other Fiscal Charges	1,127				(1,127)		(1,127)
Unallocated Depreciation	122,749				(122,749)		(122,749)
Total Governmental Activities	10,469,851	49,850	3,488,660		(6,931,341)		(6,931,341)
Business-Type Activities:							
Food Service	189,177	16,258	219,377			\$ 46,458	46,458
Total Business-Type Activities	189,177	16,258	219,377	-		46,458	46,458
Total Primary Government	\$ 10,659,028	\$ 66,108	\$ 3,708,037	\$ -	\$ (6,931,341)	\$ 46,458	\$ (6,884,883)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 7,196,000		\$ 7,196,000
Investment Earnings					4,967	\$ 99	5,066
Miscellaneous Income					420,013		420,013
Total General Revenues, Special Items, Extraor. Items & Transfers					7,620,980	99	7,621,079
Change in Net Position					689,639	46,557	736,196
Net Position—Beginning					1,503,753	60,285	1,564,038
Prior Period Adjustment							-
Net Position—Beginning (As Restated)					1,503,753	60,285	1,564,038
Net Position—Ending					\$ 2,193,392	\$ 106,842	\$ 2,300,234

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

FUND FINANCIAL STATEMENTS

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 1,597,063	\$ 8,647	\$ 1,605,710
Interfund Receivables	30,180	2,463	32,643
Tax Levy Receivable	809,542		809,542
Receivables from Other Governments	101,903	562,397	664,300
TOTAL ASSETS	\$ 2,538,688	\$ 573,507	\$ 3,112,195
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 79,509	\$ 1,561	\$ 81,070
Payable for Payroll Liabilities	183,052		183,052
Payable for Unemployment Claims	12,463		12,463
Interfund Payable	40,466	30,180	70,646
Deferred Revenue	6,370	\$ 533,119	539,489
Total Liabilities	321,860	564,860	886,720
Fund Balances:			
<u>Restricted for:</u>			
Maintenance Reserve	474,400		474,400
Capital Reserve	996,717		996,717
Unemployment Compensation	7,445		7,445
Student Activities		8,647	8,647
<u>Assigned to:</u>			
Year-End Encumbrances	50,739		50,739
General Fund-Designated for Subsequent Year's Expend.	371,972		371,972
<u>Unassigned:</u>			
General Fund - Undesignated	315,555		315,555
Total Fund Balances	2,216,828	8,647	2,225,475
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,538,688	\$ 573,507	\$ 3,112,195

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 \$4,049,247 and the accumulated depreciation is \$2,454,168 (see Note 5).	\$ 1,595,079
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not report in the fund statements. (See Note 7)	158,550
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)	(668,779)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(908,620)
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 (see Note 6).	(208,313)
Net Position of governmental activities	<u>\$ 2,193,392</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 7,196,000		\$ 7,196,000
Tuition	49,850		49,850
Miscellaneous	407,299	\$ 17,681	424,980
Total - Local Sources	7,653,149	17,681	7,670,830
State Sources	3,238,576		3,238,576
Federal Sources	37,802	439,863	477,665
Total Revenues	10,929,527	457,544	11,387,071
EXPENDITURES			
Current:			
Regular Instruction	2,472,319	337,390	2,809,709
Special Education Instruction	1,056,309		1,056,309
Other Special Instruction	192,073		192,073
Support services and undistributed costs:			
Tuition	137,111		137,111
Student and Instruction Related Services	1,160,569	94,703	1,255,272
School Administrative Services	152,677		152,677
Other Administrative Services	396,583		396,583
Plant Operations and Maintenance	683,258		683,258
Pupil Transportation	599,318		599,318
Unallocated Benefits	3,154,359		3,154,359
Charter School	255,104		255,104
Capital Outlay	275,592	20,851	296,443
Total Expenditures	10,535,272	452,944	10,988,216
Excess (Deficiency) of Revenues Over Expenditures	394,255	4,600	398,855
Net Change in Fund Balances	394,255	4,600	398,855
Fund Balance—July 1	1,822,573	4,047	1,826,620
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	1,822,573	4,047	1,826,620
Fund Balance—June 30	\$ 2,216,828	\$ 8,647	\$ 2,225,475

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ 398,855**

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

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

Depreciation Expense	\$ (138,363)	
Capital Outlays	<u>282,305</u>	143,942

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 203,160

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. (56,318)

Change in Net Position of Governmental Activities **\$ 689,639**

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

JUNE 30, 2022

		<u>Business-Type Activities-</u> <u>Enterprise Funds</u>	
		<u>Food</u>	
		<u>Service</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$	46,230	\$ 46,230
Accounts Receivable		17,592	17,592
Interfund Receivable		38,003	38,003
Inventories		5,160	5,160
Total Current Assets		<u>106,985</u>	<u>106,985</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment		139,790	139,790
Less Accumulated Depreciation		(129,065)	(129,065)
Total Noncurrent Assets		<u>10,725</u>	<u>10,725</u>
	Total Assets	<u>117,710</u>	<u>117,710</u>
LIABILITIES			
Current liabilities:			
Accounts Payable		9,474	9,474
Deferred Revenue		1,394	1,394
Total Current Liabilities		<u>10,868</u>	<u>10,868</u>
	Total Liabilities	<u>10,868</u>	<u>10,868</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt		10,725	10,725
Unrestricted		96,117	96,117
Total Net Position		<u>\$ 106,842</u>	<u>\$ 106,842</u>

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities- Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 16,258	\$ 16,258
Daily Sales - Non-Reimb. Programs	-	-
Miscellaneous	99	99
Total Operating Revenues	16,357	16,357
Operating Expenses:		
Cost of Sales - Reimbursable Programs	102,552	102,552
Cost of Sales - Non-reimbursable Programs		
Salaries	46,802	46,802
Employee Benefits	14,264	14,264
Other Purchased Professional Services	7,645	7,645
Miscellaneous	10,906	10,906
Supplies	1,645	1,645
Depreciation	5,363	5,363
Total Operating Expenses	189,177	189,177
Operating Income (Loss)	(172,820)	(172,820)
Nonoperating Revenues (Expenses):		
State Sources:		
State School Lunch Program	4,803	4,803
Federal Sources:		
National School Lunch Program	204,411	204,411
P-EBT Administrative Cost Reimbursement	1,242	1,242
Food Distribution Program	8,921	8,921
Total Nonoperating Revenues (Expenses)	219,377	219,377
Income (Loss)	46,557	46,557
Change in Net Position	46,557	46,557
Total Net Position—Beginning	60,285	60,285
Total Net Position—Ending	\$ 106,842	\$ 106,842

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 16,357	\$ 16,357
Payments to Employees	(46,802)	(46,802)
Payments for Employee Benefits	(14,264)	(14,264)
Payments to Suppliers	(107,042)	(107,042)
Net Cash Provided by (used for) Operating Activities	(151,751)	(151,751)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	4,708	4,708
Federal Sources	192,678	192,678
Operating Transfer from other Funds	(560)	(560)
Net Cash Provided by (used for) Non-Capital Financing Activities	196,826	196,826
Net Increase (Decrease) in Cash and Cash Equivalents	45,075	45,075
Balances—Beginning of Year	1,155	1,155
Balances—End of Year	\$ 46,230	\$ 46,230
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:		
Operating Income (Loss)	\$ (172,820)	\$ (172,820)
Depreciation	5,363	5,363
Provided by (used for) Operating Activities:		
Federal Commodities	8,921	8,921
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	(290)	(290)
Increase (Decrease) in Accounts Payable	7,075	7,075
Total Adjustments	21,069	21,069
Net Cash Provided by (used for) Operating Activities	\$ (151,751)	\$ (151,751)

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

Notes to Financial Statements

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB No. 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2021.

A. Reporting Entity:

The Blairstown Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Blairstown Township School District had an approximate enrollment at June 30, 2022, of 429 students.

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

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

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

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

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

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

Basis of Accounting

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

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

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

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

D. Encumbrance Accounting:

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

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

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

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

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from 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.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2022, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	Cash and Cash Equivalents (A-1)
Checking Accounts	\$ 1,651,940
	<u>\$ 1,651,940</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$1,651,940 and the bank balance was \$1,796,042. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,546,042 was covered by collateral pool.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3: RECEIVABLES

Receivables at June 30, 2022, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 101,903	\$ 102,299
Federal Aid	562,397	579,593
Tax Levy	809,542	809,542
Gross Receivable	<u>\$ 1,473,842</u>	<u>\$ 1,491,434</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u><u>\$ 1,473,842</u></u>	<u><u>\$ 1,491,434</u></u>

The local tax levy receivable was received in the subsequent year.

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2022, consisted of the following:

Food	<u>\$5,160</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 500,000			\$ 500,000
Total Capital Assets Not Being Depreciated	<u>500,000</u>			<u>500,000</u>
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	296,068			296,068
Buildings and Building Improvements	2,380,815	\$ 147,292		2,528,107
Machinery and Equipment	590,059	135,013		725,072
Total at Historical Cost	<u>3,766,942</u>	<u>282,305</u>		<u>4,049,247</u>
Less Accumulated Depreciation for:				
Land Improvements	(296,068)			(296,068)
Building and Improvements	(1,474,166)	(82,854)		(1,557,020)
Equipment	(545,571)	(55,509)		(601,080)
Total Accumulated Depreciation	<u>(2,315,805)</u>	<u>(138,363)</u>		<u>(2,454,168)</u>
	<u>1,451,137</u>	<u>143,942</u>		<u>1,595,079</u>
Government Activity Capital Assets, Net	<u>\$ 1,451,137</u>	<u>\$ 143,942</u>		<u>\$ 1,595,079</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 5: CAPITAL ASSETS -(Continued)

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 3,557
School Administrative Services	4,739
Plant Operation and Maintenance	1,648
Pupil Transportation	5,670
Unallocated	<u>122,749</u>
Total	<u>\$ 138,363</u>

NOTE 6: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance <u>7/1/21</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/22</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 151,995	\$ 56,318		\$ 208,313	
Total	<u>\$ 151,995</u>	<u>\$ 56,318</u>		<u>\$ 208,313</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$17,501,678 as measured on June 30, 2021 and \$25,094,095 measured on June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$411,822 and revenue of \$411,822 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$9,589,140,982	\$6,356,228,800
Collective deferred inflows of resources	\$14,409,361,877	\$27,175,330,929
Collective net pension liability (Nonemployer-State of New Jersey)	\$65,848,796,740	\$48,075,188,642
State's portion of the net pension liability that was associated with the district	\$25,094,095	\$17,501,678
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.038109%	0.036405%

Actuarial assumptions - The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

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.

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2021, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>. The plan fudiciary net position as of June 30, 2021 was \$26,533,142,515.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

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

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$1,759,507,848
Interest on total ension liability	4,695,758,765
Member contributions	(883,659,076)
Administrative expens	9,042,590
Expected investment return net of investment expenses	(1,458,899,157)
Pension expense related to specific liabilities of individual employers	(403,226)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	201,861,563
Changes in assumptions	(2,256,761,544)
Difference between projected and actual investment earnings on pension plan investments	<u>(933,080,851)</u>
Total pension expense	<u>\$1,133,366,912</u>

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

At June 30, 2022, the District reported a liability of \$908,620 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability 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 total pension liability for the June 30, 2020 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the District's proportion was 0.00767 which was a decrease of 0.00006% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$105,537). At June 30, 2022, the 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	\$ 14,330	\$ 6,505
Changes of assumptions	4,732	323,475
Net difference between projected and actual earnings on pension plan investments	-	239,354
Changes in proportion and differences between District contributions and proportionate share of contributions	49,664	99,445
District contributions subsequent to the measurement date	89,824	
Total	<u>\$ 158,550</u>	<u>\$ 668,779</u>

\$89,824 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2022	(\$233,790)
2023	(166,926)
2024	(113,815)
2025	(85,555)
2026	<u>33</u>
Total	<u>(\$600,053)</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$2,347,583,337	\$1,164,738,169
Collective deferred inflows of resources	7,849,949,467	8,339,123,762
Collective net pension liability (Non State - Local Group)	\$16,307,384,832	\$11,846,496,875
District's portion of net pension liability	\$1,240,626	\$908,620
District's proportion %	0.00760776%	0.00766995%

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 actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00% based on years of service
Therafter	3.00%-7.00% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real 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>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,237,356	\$908,620	\$ 629,641

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$45,511
Interest on total Pension liability	178,846
Member contributions	(37,027)
Administrative expens	647
Expected investment return net of investment expenses	(97,571)
Pension expense related to specific liabilities of individual employers	(456)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	5,011
Changes in assumptions	(135,756)
Difference between projected and actual investment earnings on pension plan investments	<u>(64,742)</u>
Total pension expense	<u>(\$105,537)</u>

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

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

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

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

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: PENSION PLANS (Continued)

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

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

<u>Three-Year Trend Information for PERS</u>		
<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
6/30/2022	\$89,824	100 %
6/30/2021	\$83,225	100 %
6/30/2020	\$79,335	100 %

Note 8: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

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.

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes The June 30, 2022 GASB 75 reporting is based on a measurement date of June 30, 2021. 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 used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. 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:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	2.75-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2021)	2.16%
Discount rate (2020)	2.21%
Healthcare cost trend rates (PPO Plans)	5.74%, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (HMO Plans)	6.01%, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (Prescription Drug Benefits)	6.75% and decreases to a 4.5% long-term trend rate after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	5.65%

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

The discount rate for June 30, 2021 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.

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2020	\$67,809,962,608
<u>Changes for the year:</u>	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Change in Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments	-
Contributions from Members	<u>(1,186,417,186)</u>
Net changes	<u>(7,802,311,638)</u>
The State's Total OPEB Liability Balance at 6/30/2021	<u>\$60,007,650,970</u>
The State's total OPEB liability attributable to the District:	\$26,633,437

Benefit Changes: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021 and other changes.

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

	June 30, 2020		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160

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

	June 30, 2021		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970

	June 30, 2020		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
	Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608

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

For the year ended June 30, 2021, the board of education recognized OPEB expense and related revenue of \$998,314 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 8: POST-RETIREMENT BENEFITS-(Continued)

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions or other inputs	<u>10,179,536,966</u>	<u>6,438,261,807</u>
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>347,612,410</u>
	<u>(\$5,222,200,954)</u>

NOTE 9: DEFERRED COMPENSATION

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

American United Life
The Equitable

NOTE 10: COMPENSATED ABSENCES

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10: COMPENSATED ABSENCES - (Continued)

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$60 per unused sick day accumulated up to a maximum of 200 total unused sick days.

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

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

NOTE 11: RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$43	\$9,360	\$897	\$19,908
2020-2021	\$25	\$8,144	\$4,212	\$11,402
2019-2020	\$4,527	\$8,183	\$7,803	\$7,445

NOTE 12: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13: FUND BALANCE APPROPRIATED

General Fund -(Exhibit B-1) Of the \$2,216,828 General Fund fund balance at June 30, 2022, \$50,739 is reserved for encumbrances; \$474,400 is reserved for maintenance reserve; \$996,717 is reserve for capital reserve; \$371,972 has been anticipated as revenue for the year ended June 30, 2022; \$7,445 is reserved for unemployment compensation; and \$315,555 is unreserved and undesignated.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 38,003
Enterprise Fund	\$ 38,003	
Total	\$ 38,003	\$ 38,003

The general fund owes the enterprise fund state and federal free and reduced lunch subsidies received in the current fund cash account but not yet transferred to the enterprise fund.

NOTE 15: 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 zero.

NOTE 16: MAINTENANCE RESERVE ACCOUNT

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

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance June 30, 2021	\$ 450,000
Deposits: June Board resolution June 16, 2022	24,400
Withdrawal	-
Ending balance June 30, 2022	\$ 474,400

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 17: CAPITAL RESERVE ACCOUNT

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

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance June 30, 2021	\$ 534,399
Deposits: June Board resolution June 16, 2022	<u>462,318</u>
Ending balance June 30, 2022	<u>\$ 996,717</u>

NOTE 18: TAX ABATEMENTS

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,196,000		\$ 7,196,000	\$ 7,196,000	
Tuition	20,000		20,000	49,850	\$ 29,850
Miscellaneous	40,623		40,623	407,299	366,676
Total - Local Sources	<u>7,256,623</u>		<u>7,256,623</u>	<u>7,653,149</u>	<u>396,526</u>
State Sources:					
Equalization Aid	716,819		716,819	716,819	
Transportation Aid	83,167		83,167	83,167	
Special Education Aid	351,956		351,956	351,956	
Security Aid	52,071		52,071	52,071	
Other State Aid				88,284	88,284
TPAF Pension (On-Behalf - Non-Budgeted)				1,327,548	1,327,548
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				310,169	310,169
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				438	438
TPAF Social Security (Reimbursed - Non-Budgeted)				278,184	278,184
Total State Sources	<u>1,204,013</u>		<u>1,204,013</u>	<u>3,208,636</u>	<u>2,004,623</u>
Impact Aid	35,000		35,000	37,802	2,802
Total Federal Sources	<u>35,000</u>		<u>35,000</u>	<u>37,802</u>	<u>2,802</u>
TOTAL REVENUES	<u>8,495,636</u>		<u>8,495,636</u>	<u>10,899,587</u>	<u>2,403,951</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	264,750		264,750	257,801	6,949
Grades 1-5 - Salaries of Teachers	1,502,901	(26,661)	1,476,240	1,475,853	387
Grades 6-8 - Salaries of Teachers	310,035	(18,739)	291,296	291,115	181
Regular Programs - Home Instruction:					
Salaries of Teachers	3,000		3,000	1,302	1,698
Purchased Professional - Educational Services	2,500		2,500		2,500
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	12,265	64,983	77,248	77,247	1
Other Purchased Services (400-500 series)	137,700	15,567	153,267	152,812	455
General Supplies	184,000	32,483	216,483	216,189	294
TOTAL REG. PROGRAMS - INSTRUCTION	2,417,151	67,633	2,484,784	2,472,319	12,465
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	68,565	3,666	72,231	72,231	
Other Salaries for Instruction	18,000	(6,591)	11,409		11,409
General Supplies	1,500	2,000	3,500	1,721	1,779
Total Learning and/or Language Disabilities:	88,065	(925)	87,140	73,952	13,188
Behavioral Disabilities:					
Salaries of Teachers	62,355		62,355	59,361	2,994
General Supplies	1,500		1,500		1,500
Total Behavioral Disabilities	63,855		63,855	59,361	4,494
Multiple Disabilities:					
Salaries of Teachers	82,630		82,630	79,249	3,381
General Supplies	3,000		3,000		3,000
Total Multiple Disabilities	85,630		85,630	79,249	6,381
Resource Room/Resource Center:					
Salaries of Teachers	614,570	23,006	637,576	637,576	
Other Salaries for Instruction					
General Supplies	4,000		4,000	1,650	2,350
Total Resource Room/Resource Center	618,570	23,006	641,576	639,226	2,350

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	54,100	663	54,763	54,763	
Other Salaries for Instruction	34,777		34,777	28,981	5,796
General Supplies	1,500		1,500		1,500
Total Preschool Disabilities - Part-Time	90,377	663	91,040	83,744	7,296
Preschool Disabilities - Full-Time:					
Salaries of Teachers	96,500		96,500	96,252	248
Other Salaries for Instruction	47,775		47,775	24,325	23,450
General Supplies	1,500		1,500	200	1,300
Total Preschool Disabilities - Full-Time	145,775		145,775	120,777	24,998
TOTAL SPECIAL ED. - INSTRUCTION	1,092,272	22,744	1,115,016	1,056,309	58,707
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	191,894		191,894	181,822	10,072
General Supplies	1,000		1,000		1,000
Total Basic Skills/Remedial - Instruction	192,894		192,894	181,822	11,072
School Sponsored Co/Extra Curricular Activities-Instruction:					
Salaries	33,200	(18,000)	15,200	10,251	4,949
Total School Sponsored Co/Extra Curricular Activities-Instr.	33,200	(18,000)	15,200	10,251	4,949
TOTAL INSTRUCTION	3,735,517	72,377	3,807,894	3,720,701	87,193
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular					
Tuition to Other LEAs Within the State-Special	35,000	4,000	39,000	38,974	26
Tuition to Private Schools for the Disabled - Within State	110,000	(11,000)	99,000	98,137	863
Total Instruction	145,000	(7,000)	138,000	137,111	889

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Health Services:					
Salaries	65,760	65	65,825	65,825	
Purchased Professional and Technical Services	6,500	(65)	6,435	2,381	4,054
Supplies and Materials	2,500	60	2,560	2,363	197
Total Health Services	74,760	60	74,820	70,569	4,251
Other Supp. Services Students-Related Serv.:					
Salaries	89,015		89,015	58,031	30,984
Purchased Professional - Educational Services	115,000	16,400	131,400	126,737	4,663
Supplies and Materials	500		500	454	46
Total Other Supp. Serv. Students-Related Serv.	204,515	16,400	220,915	185,222	35,693
Other Supp. Services Students-Extra.Services:					
Salaries	299,846	3,469	303,315	294,955	8,360
Purchased Professional - Educational Services	85,000	(6,000)	79,000	69,818	9,182
Supplies		200	200	113	87
Total Other Supp. Services Students-Extra.Services	384,846	(2,331)	382,515	364,886	17,629
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	74,588	192	74,780	74,780	
Supplies and Materials	500		500	346	154
Total Other Supp. Services Students-Regular	75,088	192	75,280	75,126	154
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	389,772	(18,000)	371,772	320,691	51,081
Salaries of Secretarial and Clerical Assistants	37,632		37,632	37,632	
Purchased Professional - Educational Services	12,000	800	12,800	11,394	1,406
Supplies and Materials	3,500	1,550	5,050	4,872	178
Other Objects	600		600	150	450
Total Other Supp. Services Students-Special	443,504	(15,650)	427,854	374,739	53,115
Improvement of Instruction Services:					
Salaries of Other Professional Staff	12,600		12,600	11,634	966
Total Improvement of Instruction Services	12,600		12,600	11,634	966

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Educational Media Services/School Library:					
Salaries	66,820		66,820	65,845	975
Purchased Professional - Technical Services	1,400		1,400	206	1,194
Supplies and Materials	7,000	767	7,767	7,758	9
Total Educational Media Services/School Library	75,220	767	75,987	73,809	2,178
Instructional Staff Training Services:					
Salaries of Other Professional Staff	20,000		20,000	168	19,832
Purchased Professional - Educational Services	5,000		5,000	4,416	584
Supplies and Materials	1,000		1,000		1,000
Total Instructional Staff Training Services	26,000		26,000	4,584	21,416
Supp. Services - General Administration:					
Salaries	189,132		189,132	188,650	482
Legal Services	12,000	10,000	22,000	20,749	1,251
Audit Fees	17,000		17,000	16,629	371
Other Purchased Professional Services	4,000		4,000	495	3,505
Communications/Telephone	26,000		26,000	19,413	6,587
Other Purchased Services (400-500 series)	19,600	252	19,852	16,294	3,558
General Supplies	4,000	352	4,352	4,102	250
BOE In-House Training/Meeting Supplies	400		400	48	352
Miscellaneous Expenditures	4,200	(252)	3,948	2,008	1,940
BOE Membership Dues and Fees	5,000		5,000	4,688	312
Total Supp. Services - General Administration	281,332	10,352	291,684	273,076	18,608

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	108,000	2,500	110,500	110,500	
Salaries of Secretarial and Clerical Assistants	39,629		39,629	38,898	731
Other Purchased Services (400-500 series)	500		500	231	269
Supplies and Materials	3,500	5,130	8,630	2,203	6,427
Other Objects	1,200		1,200	845	355
Total Support Services - School Administration	152,829	7,630	160,459	152,677	7,782
Central Services:					
Salaries	107,550		107,550	104,303	3,247
Purchased Technical Services	19,000		19,000	17,365	1,635
Miscellaneous Purchased Services (400-500 series)	600		600		600
Supplies and Materials	1,500		1,500	769	731
Miscellaneous Expenditures	1,300		1,300	1,070	230
Total Central Services	129,950		129,950	123,507	6,443
Required Maintenance for School Facilities:					
Salaries	66,346		66,346	63,346	3,000
Cleaning, Repair and Maintenance Services	134,000	(58,613)	75,387	65,353	10,034
Lead Testing of Drinking Water	3,000		3,000		3,000
General Supplies	25,000	(4,000)	21,000	9,963	11,037
Total Required Maintenance for School Facilities	228,346	(62,613)	165,733	138,662	27,071
Other Operations and Maintenance of Plant:					
Salaries	159,644		159,644	158,374	1,270
Purchased Professional and Technical Services	6,000	(100)	5,900	1,821	4,079
Cleaning, Repair and Maintenance Services	35,000		35,000	33,345	1,655
Rental of Land & Bldg Other than Lease Purch Agrmt	1,000	(1,000)			
Insurance	85,000	(7,160)	77,840	77,095	745
General Supplies	36,000	4,400	40,400	38,637	1,763
Energy (Electricity)	106,500		106,500	106,500	
Energy (Oil)	113,000	(4,000)	109,000	106,372	2,628
Total Other Operations and Maintenance of Plant	542,144	(7,860)	534,284	522,144	12,140

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	5,000	25,000	30,000	22,052	7,948
Total Care and Upkeep of Grounds:	<u>5,000</u>	<u>25,000</u>	<u>30,000</u>	<u>22,052</u>	<u>7,948</u>
Security:					
Salaries	2,500		2,500	400	2,100
General Supplies		710	710		710
Total Security	<u>2,500</u>	<u>710</u>	<u>3,210</u>	<u>400</u>	<u>2,810</u>
Student Transportation Services					
Salaries for Pupil Transpor.(Between Home & School)-Regular	36,125	270	36,395	36,395	
Salaries for Pupil Transpor.(Between Home & School)-Special	53,185	7,636	60,821	60,821	
Management Fee - ESC & CTSA Trans. Program	5,000		5,000		5,000
Other Purchased Professional - Technical Services	1,000	11,100	12,100	12,074	26
Cleaning, Repair and Maintenance Services	5,000	19,500	24,500	16,931	7,569
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	20,000		20,000	1,250	18,750
Contracted Services (Between Home and Sch.)-Vendors	315,000		315,000	314,821	179
Contract Services (Other than Between Home & School)-Vendors	18,000		18,000	7,945	10,055
Contracted Services (Special Education Students)-Vendors	185,000	(36,465)	148,535	146,632	1,903
Supplies and Materials	7,000	(4,000)	3,000	2,449	551
Total Student Transportation Services	<u>645,310</u>	<u>(1,959)</u>	<u>643,351</u>	<u>599,318</u>	<u>44,033</u>
ALLOCATED BENEFITS					
Unused Sick Payments to Terminated/Retired Staff	20,000	(20,000)			
TOTAL ALLOCATED BENEFITS	<u>20,000</u>	<u>(20,000)</u>			
UNALLOCATED BENEFITS					
Social Security Contributions	105,000	1,210	106,210	106,210	
Other Retirement Contributions-Regular	95,000	5,000	100,000	98,491	1,509
Workmen's Compensation	55,000	(11,437)	43,563	43,563	
Health Benefits	947,000	50,018	997,018	963,646	33,372
Tuition Reimbursement	34,000	(13,055)	20,945	3,522	17,423
Other Employee Benefits	91,000	(55,000)	36,000	22,588	13,412
TOTAL UNALLOCATED BENEFITS	<u>1,327,000</u>	<u>(23,264)</u>	<u>1,303,736</u>	<u>1,238,020</u>	<u>65,716</u>

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
On-behalf TPAF pension Contrib. (non-budgeted)				1,327,548	(1,327,548)
On-behalf TPAF PRM Contrib. (non-budgeted)				310,169	(310,169)
On-behalf TPAF pension LTD Ins. (non-budgeted)				438	(438)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				278,184	(278,184)
TOTAL ON-BEHALF CONTRIBUTIONS				1,916,339	(1,916,339)
TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS	1,347,000	(43,264)	1,303,736	3,154,359	(1,850,623)
TOTAL UNDISTRIBUTED EXPENDITURES	4,775,944	(79,566)	4,696,378	6,283,875	(1,587,497)
TOTAL GENERAL CURRENT EXPENSE	8,511,461	(7,189)	8,504,272	10,004,576	(1,500,304)
CAPITAL OUTLAY					
Equipment:					
Security		93,200	93,200	65,015	28,185
Undistributed Expenditures-Instruction		25,857	25,857	12,484	13,373
Undistributed Expenditures-Instr. Staff	5,000	(5,000)			
Undistributed Expenditures-General Admin.		24,400	24,400	24,400	
Undistributed Expenditures-Equip for Req. Maint. For Sch. Fac.	20,000	(2,300)	17,700	17,632	68
Undistributed Expenditures-Equip for Food Service		5,000	5,000	4,522	478
Total Equipment	25,000	141,157	166,157	124,053	42,104
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		3,157	3,157	3,120	37
Construction Services		167,400	167,400	147,292	20,108
Assessment for Debt Service on SDA Funding	1,127		1,127	1,127	
Total Facilities Acquisition and Construction Services	1,127	170,557	171,684	151,539	20,145
TOTAL CAPITAL OUTLAY	26,127	311,714	337,841	275,592	62,249

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Transfer of Funds to Charter Schools	330,000	(73,951)	256,049	255,104	945
TOTAL EXPENDITURES	8,867,588	230,574	9,098,162	10,535,272	(1,437,110)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,952)	(230,574)	(602,526)	364,315	966,841
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(371,952)	(230,574)	(602,526)	364,315	966,841
Fund Balance, July 1	1,972,802		1,972,802	1,972,802	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	1,972,802		1,972,802	1,972,802	
Fund Balance, June 30	\$ 1,600,850	\$ (230,574)	\$ 1,370,276	\$ 2,337,117	\$ 966,841
Recapitulation:					
Restricted for:					
Maintenance Reserve				474,400	
Capital Reserve				996,717	
Unemployment Compensation				7,445	
Assigned to:					
Year-End Encumbrances				50,739	
Designated for Subsequent Year's Expenditures				371,972	
Unassigned:					
Unrestricted Fund Balance				435,844	
Fund Balance per Governmental Funds(Budgetary Basis)				2,337,117	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				(120,289)	
Fund Balance per Governmental Funds(GAAP Basis)				2,216,828	

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 20,709	\$ 20,709	\$ 17,681	\$ (3,028)
Federal Sources	\$ 164,800	803,278	968,078	449,929	(518,149)
Total Revenues	164,800	823,987	988,787	467,610	(521,177)
EXPENDITURES:					
Instruction					
Salaries of Teachers	49,000	176,585	225,585	49,164	176,421
Purchased Professional & Tech. Serv.		43,892	43,892	43,892	
Tuition	115,000	17,754	132,754	132,754	
General Supplies	-	145,406	145,406	121,646	23,760
Total Instruction	164,000	383,637	547,637	347,456	200,181
Support Services					
Personal Services-Employee Bene.	800	16,923	17,723	17,723	
Purchased Educational Services		58,899	58,899	58,899	
Supplies and Materials		8,028	8,028	5,000	3,028
Student Activities		13,081	13,081	13,081	
Total Support Services	800	96,931	97,731	94,703	3,028
Facilities Acq. & Construction Svs					
Instructional Equipment		338,819	338,819	20,851	317,968
Total Facilities & Construction Svs	-	338,819	338,819	20,851	317,968
Total Expenditures	164,800	819,387	984,187	463,010	521,177
Total Outflows	164,800	819,387	984,187	463,010	521,177
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	4,600	4,600	4,600	-
Fund Balance Beginning				4,047	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				4,047	
Fund Balance Ending				<u>\$ 8,647</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 8,647	
Total Fund Balance				<u>\$ 8,647</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2022

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 10,899,587	\$ 467,610
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	1,875
Current Year Encumbrances	N/A	(11,941)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	150,229	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(120,289)	N/A
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	\$ 10,929,527	\$ 457,544
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,535,272	\$ 463,010
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	1,875
Current Year Encumbrances	N/A	(11,941)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	\$ 10,535,272	\$ 452,944

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
State's proportionate share of the net pension liability (asset) associated with the District	\$ 17,501,678	\$ 25,094,095	\$ 23,115,075	\$ 23,322,737	\$ 25,444,435	\$ 30,290,411	\$ 25,764,460	\$ 22,838,525	\$ 20,728,844	
Total	\$ 17,501,678	\$ 25,094,095	\$ 23,115,075	\$ 23,322,737	\$ 25,444,435	\$ 30,290,411	\$ 25,764,460	\$ 22,838,525	\$ 20,728,844	
District's covered employee payroll	\$ 3,799,937	\$ 3,893,993	\$ 3,889,877	\$ 3,989,343	\$ 4,102,804	\$ 3,946,077	\$ 3,932,605	\$ 4,070,098	\$ 4,240,856	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Plan fiduciary net position as a percentage of the total pension liability	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	

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

Public Employees' Retirement System (PERS)

Exhibit L-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0076699%	0.0076078%	0.0081325%	0.0084145%	0.0081284%	0.00707789%	0.00724517%	0.00753810%	0.00745448%	
District's proportionate share of the net pension liability (asset)	\$ 908,620	\$ 1,465,348	\$ 1,465,348	\$ 1,656,771	\$ 1,892,163	\$ 2,096,269	\$ 1,626,395	\$ 1,411,338	\$ 1,424,700	
District's covered employee payroll	\$ 566,479	\$ 564,308	\$ 562,867	\$ 569,460	\$ 588,394	\$ 586,836	\$ 1,105,311	\$ 991,562	\$ 1,029,125	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	160.40%	259.67%	260.34%	290.94%	321.58%	357.22%	147.14%	142.33%	138.44%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%	

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

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 3,799,937	\$ 3,893,993	\$ 3,889,877	\$ 3,989,343	\$ 4,102,804	\$ 3,946,077	\$ 3,932,605	\$ 4,070,098	\$ 4,240,856	
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 89,824	\$ 83,225	\$ 79,335	\$ 83,980	\$ 76,198	\$ 63,192	\$ 68,996	\$ 63,696	\$ 66,238	
Contributions in relation to the contractually required contribution	(89,824)	(83,225)	(79,335)	(83,980)	(76,198)	(63,192)	(68,996)	(63,696)	(66,238)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 566,479	\$ 564,308	\$ 562,867	\$ 569,460	\$ 588,394	\$ 586,836	\$ 1,105,311	\$ 991,562	\$ 1,029,125	
Contributions as a percentage of covered-employee payroll	15.86%	14.75%	14.09%	14.75%	12.95%	10.77%	6.24%	6.42%	6.44%	

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

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Service Cost	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319				
Interest	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792				
Change in Benefit Terms	(63,870,842)									
Differences Between Expected and Actual Experience	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)						
Benefit Payments	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)				
Contributions from Members	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747				
Changes of Assumptions or other inputs	(1,186,417,186)	12,386,549,981	622,184,027	\$ (5,291,448,855)	\$ (7,086,599,129)	8,611,513,521				
Net change in total OPEB liability	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360				
Total OPEB Liability - Beginning	\$ 67,809,962,608	\$41,729,081,045	\$46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824				
Total OPEB Liability - Ending	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's total OPEB liability **	\$ 60,007,650,970	\$67,809,962,608	\$41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's OPEB liability attributable to the District **	\$ 26,633,437	\$ 31,642,485	\$ 19,580,244	\$ 22,334,141	\$ 25,652,341	\$ 27,922,912				
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero				
District's covered employee payroll	\$ 4,366,416	\$ 4,458,301	\$ 4,452,744	\$ 4,558,803	\$ 4,691,198	\$ 4,532,913				
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
District's contribution	None	None	None	None	None	None				
State's covered employee payroll ***	\$ 14,425,669,769	\$14,267,738,657	\$13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208				
Total State's OPEB liability as a percentage of its covered-employee payroll	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%				

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

*** Covered payroll for the Measurement Period ending June 30, 2020 and June 30, 2021 is based on the payroll on the June 30, 2019 and June 30, 2020 census data, respectively

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

BLAIRSTOWN SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

Public Employees' Retirement System (PERS)

Pension Schedules

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

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 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

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2022

	Title I Part A	IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	CRRSA ESSER II	CRRSA Learning	CRRSA Mental	REAP	Student Activity	Totals
REVENUES											
Local Sources										\$ 17,681	\$ 17,681
Federal Sources	\$ 54,204	\$ 132,754	\$ 12,683	\$ 16,822	\$ 1,561	\$ 140,287	\$ 11,000	\$ 36,726	\$ 43,892		449,929
TOTAL REVENUES	54,204	132,754	12,683	16,822	1,561	140,287	11,000	36,726	43,892	17,681	467,610
EXPENDITURES:											
Instruction:											
Salaries of Teachers	37,382		11,782								49,164
Purchased Professional & Tech. Serv.									43,892		43,892
Tuition		132,754									132,754
General Supplies				13,123	1,561	95,236		11,726			121,646
Total Instruction	37,382	132,754	11,782	13,123	1,561	95,236	-	11,726	43,892	-	347,456
Support Services:											
Personal Services-Employee Bene.	16,822		901								17,723
Purchased Educational Services				3,699		19,200	11,000	25,000			58,899
Supplies and Materials						5,000					5,000
Student Activities										13,081	13,081
Total Support Services	16,822	-	901	3,699	-	24,200	11,000	25,000	-	13,081	94,703
Facilities Acq. & Construction Svs											
Instructional Equipment						20,851					20,851
Total Facilities & Construction Svs						20,851					20,851
TOTAL EXPENDITURES	54,204	132,754	12,683	16,822	1,561	140,287	11,000	36,726	43,892	13,081	463,010
Total Outflows	54,204	132,754	12,683	16,822	1,561	140,287	11,000	36,726	43,892	13,081	463,010
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	4,600	4,600
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	4,047	4,047
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	4,047	4,047
Fund Balance Ending	-	-	-	-	-	-	-	-	-	\$ 8,647	\$ 8,647

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

<p style="text-align: center;">PROPRIETARY FUND DETAIL STATEMENTS</p>
--

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

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

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

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

Blairstown Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	84-89
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	90-96
Debt Capacity (J-10 thru J-13) 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.	97-100
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	101-102
Operating Information (J-16 thru J-20) 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.	103-107

Sources:

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

Blairstown Township School District
Net Position by Component,
Last Ten Fiscal Years

Exhibit J-1

(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,673,328	\$ 1,824,786	\$ 2,160,655	\$ 2,123,767	\$ 2,594,039	\$ 2,479,187	\$ 2,633,025	\$ 1,561,716	\$ 1,451,137	\$ 1,595,079
Restricted	613,408	617,148	701,353	1,176,353	762,671	892,663	453,784	1,042,705	(186,919)	(50,739)
Unrestricted	29,740	161,749	(1,178,208)	(1,369,886)	(1,388,981)	(1,210,164)	(1,635,089)	(1,386,125)	239,535	649,052
Total governmental activities net position	<u>\$ 2,316,476</u>	<u>\$ 2,603,683</u>	<u>\$ 1,683,800</u>	<u>\$ 1,930,234</u>	<u>\$ 1,967,729</u>	<u>\$ 2,161,686</u>	<u>\$ 1,451,720</u>	<u>\$ 1,218,296</u>	<u>\$ 1,503,753</u>	<u>\$ 2,193,392</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 11,120	\$ 7,414	\$ 3,707	\$ 15,412	\$ 11,559	\$ 7,705	\$ 3,853	\$ 21,451	\$ 16,088	\$ 10,725
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,582	12,586	28,934	29,152	38,166	43,733	50,481	18,305	44,197	96,117
Total business-type activities net position	<u>\$ 16,702</u>	<u>\$ 20,000</u>	<u>\$ 32,641</u>	<u>\$ 44,564</u>	<u>\$ 49,725</u>	<u>\$ 51,438</u>	<u>\$ 54,334</u>	<u>\$ 39,756</u>	<u>\$ 60,285</u>	<u>\$ 106,842</u>
District-wide										
Invested in capital assets, net of related debt	\$ 1,832,200	\$ 1,832,200	\$ 2,164,362	\$ 2,139,179	\$ 2,605,598	\$ 2,486,892	\$ 2,636,878	\$ 1,583,167	\$ 1,467,225	\$ 1,605,804
Restricted	617,148	617,148	701,353	1,176,353	762,671	892,663	453,784	1,042,705	(186,919)	(50,739)
Unrestricted	174,335	174,335	(1,149,274)	(1,340,734)	(1,350,815)	(1,166,431)	(1,584,608)	(1,367,820)	283,732	745,169
Total district net position	<u>\$ 2,623,683</u>	<u>\$ 2,623,683</u>	<u>\$ 1,716,441</u>	<u>\$ 1,974,798</u>	<u>\$ 2,018,454</u>	<u>\$ 2,213,124</u>	<u>\$ 1,506,054</u>	<u>\$ 1,258,052</u>	<u>\$ 1,564,038</u>	<u>\$ 2,300,234</u>

Source: ACFR Schedule A-1

Blairstown Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022		
Expenses																							
Governmental activities																							
Instruction																							
Regular	\$	3,841,629	\$	3,558,683	\$	4,129,910	\$	4,129,910	\$	4,492,062	\$	4,469,364	\$	3,982,115	\$	3,789,568	\$	4,411,066	\$	3,981,156			
Special education		1,245,936		1,136,443		1,405,663		1,405,663		1,433,918		1,586,673		1,392,095		1,469,439		1,589,634		1,494,822			
Other special education		237,923		293,634		369,183		369,183		540,649		550,729		505,214		362,686		308,589		271,810			
Support Services:																							
Tuition		66,271		54,276		125,854		125,854		267,116		168,799		194,837		217,458		261,251		194,031			
Student & instruction related services		1,627,553		1,561,155		1,761,178		1,761,178		2,015,117		2,160,203		1,945,371		1,719,686		1,924,603		1,776,382			
School administrative services		188,601		210,238		234,315		234,315		277,690		297,546		262,654		237,430		193,426		216,059			
General administrative services		568,275		685,877		748,301		748,301		798,826		787,628		665,657		697,122		675,558		567,926			
Plant operations and maintenance		821,287		1,048,296		1,053,076		1,053,076		1,172,209		1,061,480		2,278,376		842,124		1,424,681		987,648			
Pupil transportation		704,797		693,633		753,359		753,359		937,620		897,794		867,082		855,688		918,277		856,141			
Other Support Services																							
Non-Budgeted Contributions																							
Charter Schools																							
Interest and other fiscal charges				1,127		1,127		1,127		1,127		1,127		1,127		1,127		1,127		1,127		1,127	
Unallocated depreciation		61,212		93,608		147,817		147,817		166,316		183,085		222,256		95,405		94,965		122,749			
Total governmental activities expenses		<u>9,363,484</u>		<u>9,336,970</u>		<u>10,729,783</u>		<u>10,729,783</u>		<u>12,102,650</u>		<u>12,164,428</u>		<u>12,316,784</u>		<u>10,287,733</u>		<u>11,803,177</u>		<u>10,469,851</u>			
Business-type activities:																							
Food service		118,307		97,444		95,210		95,210		125,416		123,524		107,204		99,650		48,954		189,177			
Child Care																							
Total business-type activities expense		<u>118,307</u>		<u>97,444</u>		<u>95,210</u>		<u>95,210</u>		<u>125,416</u>		<u>123,524</u>		<u>107,204</u>		<u>99,650</u>		<u>48,954</u>		<u>189,177</u>			
Total district expenses		<u>\$ 9,481,791</u>		<u>\$ 9,434,414</u>		<u>\$ 10,824,993</u>		<u>\$ 10,824,993</u>		<u>\$ 12,228,066</u>		<u>\$ 12,287,952</u>		<u>\$ 12,423,988</u>		<u>\$ 10,387,383</u>		<u>\$ 11,852,131</u>		<u>\$ 10,659,028</u>			
Program Revenues																							
Governmental activities:																							
Charges for services:																							
Instruction (Tuition)	\$	26,075	\$	21,028	\$	66,780	\$	66,780	\$	52,828	\$	18,845	\$	41,920	\$	63,665	\$	1,510	\$	49,850			
Business and other support services																							
Operating grants and contributions	\$	3,014,416	\$	2,973,399	\$	4,257,078	\$	4,257,078	\$	5,208,427	\$	5,636,304	\$	4,731,074	\$	3,936,860	\$	5,086,672		3,488,660			
Capital grants and contributions		-		-		-		-		-		-		-		-		-		-		-	
Total governmental activities program revenues		<u>3,040,491</u>		<u>2,994,427</u>		<u>4,323,858</u>		<u>4,323,858</u>		<u>5,261,255</u>		<u>5,655,149</u>		<u>4,772,994</u>		<u>4,000,525</u>		<u>5,088,182</u>		<u>3,538,510</u>			
Business-type activities:																							
Charges for services:																							
Food service		67,884		62,466		64,228		64,228		78,677		78,298		71,961		53,430		266		16,258			
Child care																							
Operating grants and contributions		43,089		38,253		43,582		43,582		51,762		46,709		37,886		31,389		69,179		219,377			
Capital grants and contributions		-		-		-		-		-		-		-		-		-		-		-	
Total business type activities program revenues		<u>110,973</u>		<u>100,719</u>		<u>107,810</u>		<u>107,810</u>		<u>130,439</u>		<u>125,007</u>		<u>109,847</u>		<u>84,819</u>		<u>69,445</u>		<u>235,635</u>			
Total district program revenues		<u>\$ 3,151,464</u>		<u>\$ 3,095,146</u>		<u>\$ 4,431,668</u>		<u>\$ 4,431,668</u>		<u>\$ 5,391,694</u>		<u>\$ 5,780,156</u>		<u>\$ 4,882,841</u>		<u>\$ 4,085,344</u>		<u>\$ 5,157,627</u>		<u>\$ 3,774,145</u>			
Net (Expense)/Revenue																							
Governmental activities	\$	(6,342,543)	\$	(6,342,543)	\$	(6,405,925)	\$	(6,405,925)	\$	(6,841,395)	\$	(6,509,279)	\$	(7,543,790)	\$	(6,287,208)	\$	(6,714,995)	\$	(6,931,341)			
Business-type activities		3,275		3,275		12,600		12,600		5,023		1,483		2,643		(14,831)		20,491		46,458			
Total district-wide net expense		<u>\$ (6,339,268)</u>		<u>\$ (6,339,268)</u>		<u>\$ (6,393,325)</u>		<u>\$ (6,393,325)</u>		<u>\$ (6,836,372)</u>		<u>\$ (6,507,796)</u>		<u>\$ (7,541,147)</u>		<u>\$ (6,302,039)</u>		<u>\$ (6,694,504)</u>		<u>\$ (6,884,883)</u>			

"Continued"

Blairtown Township School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2013		2014		2015		2016		Fiscal Year Ending June 30,		2017		2018		2019		2020		2021		2022		
General Revenues and Other Changes in Net Position																							
Governmental activities:																							
Property taxes levied for general purposes, net	\$	6,362,000	\$	6,489,000	\$	6,618,000	\$	6,618,000	\$	6,520,000	\$	6,650,000	\$	6,625,000	\$	6,900,000	\$	6,900,000	\$	6,900,000	\$	7,196,000	
Taxes levied for debt service																							
Restricted grants and contributions						51,321		51,321		279,084		-		-		-		-		-		-	
Other Aid		-		-		-		-		-		-		-		-		-		-		-	
Investment earnings		4,018		3,984		4,725		4,725		7,421		15,403		21,255		11,544		4,595		4,595		4,967	
Miscellaneous income		127,204		136,766		34,741		34,741		49,365		37,833		187,569		138,504		85,810		85,810		420,013	
Transfers		-		-		-		-		-		-		-		-		-		-		-	
Total governmental activities		<u>6,493,222</u>		<u>6,629,750</u>		<u>6,708,787</u>		<u>6,708,787</u>		<u>6,855,870</u>		<u>6,703,236</u>		<u>6,833,824</u>		<u>7,050,048</u>		<u>6,990,405</u>		<u>6,990,405</u>		<u>7,620,980</u>	
Business-type activities:																							
Investment earnings		28		23		41		41		138		230		253		253		253		38		99	
Transfers		-		-		-		-		-		-		-		-		-		-		-	
Total business-type activities		<u>28</u>		<u>23</u>		<u>41</u>		<u>41</u>		<u>138</u>		<u>230</u>		<u>253</u>		<u>253</u>		<u>253</u>		<u>38</u>		<u>99</u>	
Total district-wide		<u>\$ 6,493,250</u>		<u>\$ 6,629,773</u>		<u>\$ 6,708,828</u>		<u>\$ 6,708,828</u>		<u>\$ 6,856,008</u>		<u>\$ 6,703,466</u>		<u>\$ 6,834,077</u>		<u>\$ 7,050,301</u>		<u>\$ 6,990,443</u>		<u>\$ 6,990,443</u>		<u>\$ 7,621,079</u>	
Change in Net Position																							
Governmental activities	\$	150,679	\$	287,207	\$	302,862	\$	302,862	\$	14,475	\$	193,957	\$	(709,966)	\$	762,840	\$	275,410	\$	275,410	\$	689,639	
Business-type activities		3,303		3,298		12,641		12,641		5,161		1,713		2,896		(14,578)		20,529		20,529		46,557	
Total district		<u>\$ 153,982</u>		<u>\$ 290,505</u>		<u>\$ 315,503</u>		<u>\$ 315,503</u>		<u>\$ 19,636</u>		<u>\$ 195,670</u>		<u>\$ (707,070)</u>		<u>\$ 748,262</u>		<u>\$ 295,939</u>		<u>\$ 295,939</u>		<u>\$ 736,196</u>	

Source: ACFR Schedule A-2

**Blairstown Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

Exhibit J-3

	<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>
General Fund										
Reserved	\$ 667,296	\$ 731,395	\$ 1,087,700	\$ 1,267,456	\$ 782,974	\$ 1,422,572	\$ 544,907	\$ 1,396,303	\$ 1,550,735	\$ 1,901,273
Unreserved	84,845	75,535	52,757	57,531	45,212	59,731	120,379	145,536	271,838	315,555
Total general fund	<u>\$ 752,141</u>	<u>\$ 806,930</u>	<u>\$ 1,140,457</u>	<u>\$ 1,324,987</u>	<u>\$ 828,186</u>	<u>\$ 1,482,303</u>	<u>\$ 665,286</u>	<u>\$ 1,541,839</u>	<u>\$ 1,822,573</u>	<u>\$ 2,216,828</u>
All Other Governmental Funds										
Reserved							-	\$ 2,602	\$ 4,047	\$ 8,647
Unreserved, reported in:										
Special revenue fund		-	-	-	-	-	-	-	-	-
Capital projects fund	\$ 61,782	\$ 61,782	-	-	\$ 281,584	-	-	-	-	-
Debt service fund										
Trust and agency fund	-	-								
Total all other governmental funds	<u>\$ 61,782</u>	<u>\$ 61,782</u>	<u>-</u>	<u>-</u>	<u>\$ 281,584</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 2,602</u>	<u>\$ 4,047</u>	<u>\$ 8,647</u>

Source: ACFR Schedule B-1

**Blairstown Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years**

Exhibit J-4

	<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>
Revenues										
Tax levy	\$ 6,362,000	\$ 6,489,000	\$ 6,618,000	\$ 6,520,000	\$ 6,520,000	\$ 6,650,000	\$ 6,625,000	\$ 6,900,000	\$ 6,900,000	\$ 7,196,000
Tuition charges	26,075	21,028	66,780	59,727	52,828	18,845	41,920	63,665	-	49,850
Miscellaneous	131,222	140,750	39,466	69,338	56,786	53,236	208,824	150,048	91,915	424,980
State sources	2,799,623	2,753,827	2,899,946	2,940,062	3,340,529	3,179,128	3,363,563	3,243,543	3,291,574	3,238,576
Federal sources	214,793	219,572	399,910	307,747	296,875	288,834	287,787	287,485	346,831	477,665
Total revenue	9,533,713	9,624,177	10,024,102	9,896,874	10,267,018	10,190,043	10,527,094	10,644,741	10,630,320	11,387,071
Expenditures										
Instruction										
Regular Instruction	2,821,904	2,671,994	2,718,085	2,785,241	2,671,506	2,549,373	2,631,014	2,557,873	2,690,893	2,809,709
Special education instruction	916,367	854,420	926,342	860,090	853,911	906,318	921,011	993,217	971,010	1,056,309
Other special instruction	174,989	220,765	243,294	225,397	321,961	314,580	334,250	245,145	188,498	192,073
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	48,741	40,807	82,939	49,369	159,070	96,419	128,904	146,983	159,582	137,111
Student & instruction related services	1,197,041	1,173,735	1,160,629	1,130,048	1,200,020	1,233,922	1,287,059	1,162,363	1,175,622	1,255,272
General administrative services	413,219	448,555	447,082	443,114	446,345	445,159	435,660	466,457	407,918	396,583
School administrative services	138,713	158,065	154,415	163,325	165,367	169,960	173,772	160,483	118,152	152,677
Plant operations and maintenance	602,396	786,500	692,337	854,055	696,413	604,676	1,470,458	567,557	847,775	683,258
Pupil transportation	512,698	515,829	490,799	462,494	552,691	507,156	567,992	572,703	555,249	599,318
Other Support Services										
Unallocated employee benefits	2,140,665	1,985,614	2,061,356	2,261,881	2,415,855	2,564,194	2,656,782	2,560,618	2,934,356	3,154,359
Charter Schools	361,010	388,923	373,117	335,600	344,163	340,779	309,105	305,133	277,132	255,104
Capital Outlay	177,976	324,181	401,962	141,730	654,933	84,974	428,104	37,101	21,954	296,443
Debt service:										
Principal										
Interest and other charges										
Total expenditures	9,505,719	9,569,388	9,752,357	9,712,344	10,482,235	9,817,510	11,344,111	9,775,633	10,348,141	10,988,216
Excess (Deficiency) of revenues over (under) expenditures	54,789	54,789	271,745	184,530	(215,217)	372,533	(817,017)	869,108	282,179	398,855
Other Financing Sources (uses)										
Note Proceeds										
Other										
Transfers in	62,538	-	15,301							
Transfers out	(62,538)	-	(15,301)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 54,789	\$ 54,789	\$ 271,745	\$ 184,530	\$ (215,217)	\$ 372,533	\$ (817,017)	\$ 869,108	\$ 282,179	\$ 398,855
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Cost</u> <u>Share</u>	<u>Tuition</u>	<u>Insurance</u> <u>Refunds</u>	<u>Sale of</u> <u>Assets</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 4,018			\$ 26,075			\$ 117,128	\$ 147,221
2014	3,984	\$ 5,000	\$ 44,655	21,028			79,958	154,625
2015	4,725	500		66,780			34,241	106,246
2016	5,399	7,948		59,727		\$ 30,000	20,412	123,486
2017	7,421	29,596		52,828			19,769	109,614
2018	15,403			18,845			28,577	62,825
2019	21,255	25,803	61,826	41,920	\$ 33,108		44,791	228,703
2020	11,544		53,738	63,665	13,843		47,523	190,313
2021	4,595	20,384	58,555	-			6,871	90,405
2022	4,967	16,542	59,335	49,850		310,000	16,455	457,149

SOURCE: District Records

Blairstown Township School District
 Assessed Value and Actual Value of Taxable Property-**Blairstown Township**,
 Last Nine Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2013	\$17,560,200	\$552,802,300	\$76,294,600	\$2,133,400	\$61,280,500	\$7,526,200	\$ 815,607,689	\$95,982,717	\$2,027,772	\$719,624,972	\$0.714	\$870,135,402
2014	17,324,800	554,018,900	74,566,200	2,146,300	60,606,200	7,426,000	814,057,450	95,984,317	1,984,733	718,073,133	0.720	786,160,323
2015	17,534,500	553,802,200	73,824,500	2,129,800	59,922,200	7,506,300	812,711,502	95,881,017	2,110,985	716,830,485	0.742	747,038,890
2016	16,459,000	553,436,700	74,089,900	2,161,200	58,825,700	7,506,300	810,249,679	95,338,017	2,432,862	714,911,662	0.755	712,612,284
2017	16,383,200	554,080,200	73,348,600	2,154,600	58,811,400	7,406,800	811,128,643	96,664,417	2,279,426	714,464,226	0.778	721,829,604
2018	16,149,900	554,611,400	72,389,300	2,117,000	58,729,300	7,406,800	808,683,577	94,990,933	2,288,944	713,692,644	0.758	709,362,651
2019	16,014,700	553,340,800	72,772,000	2,121,500	59,326,400	7,406,800	808,696,405	95,364,233	2,349,972	713,332,172	0.757	698,104,592
2020	16,363,100	551,619,900	73,095,300	2,114,400	59,362,200	7,664,000	806,090,845	93,528,633	2,343,312	712,562,212	0.774	726,196,562
2021	15,296,300	551,828,700	70,930,500	2,104,000	58,437,100	7,664,000	804,777,492	95,922,033	2,594,859	708,855,459	0.792	727,192,468
2022	13,964,700	551,227,100	71,348,400	2,081,000	58,506,100	7,664,000	804,574,223	97,266,233	2,516,690	707,307,990	0.839	728,556,641

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Blairstown Township School District
 Assessed Value and Actual Value of Taxable Property-**Hardwick Township**,
 Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2013	\$5,583,000	\$111,826,700	\$36,823,000	\$1,027,200	\$1,533,800	\$627,000	\$226,476,500	\$68,766,400	\$289,400	\$157,710,100	\$0.862	\$245,506,935
2014	5,406,700	110,585,150	38,832,800	1,067,100	839,400	627,000	226,584,341	68,822,600	403,591	157,761,741	0.916	226,265,738
2015	5,660,800	110,017,450	39,201,100	1,050,100	705,700	627,000	227,338,257	69,620,400	455,707	157,717,857	0.778	210,701,695
2016	5,640,900	111,075,050	38,132,600	1,040,900	705,700	627,000	227,339,808	69,638,300	479,358	157,701,508	0.836	194,779,597
2017	5,555,700	112,159,350	37,735,800	1,005,600	705,700	627,000	228,217,999	69,938,800	490,049	158,279,199	0.822	186,361,299
2018	5,894,900	113,171,150	37,252,000	916,650	705,700	627,000	229,741,582	70,571,100	603,082	159,170,482	0.705	187,209,847
2019	5,384,300	112,005,350	37,710,800	1,002,050	705,700	627,000	228,536,194	70,571,100	529,894	157,965,094	0.608	185,060,822
2020	4,564,200	109,432,850	40,487,600	937,600	705,700	627,000	229,793,721	72,485,800	552,971	157,307,921	0.879	190,664,492
2021	4,540,700	109,533,450	40,175,300	968,600	705,700	627,000	230,284,542	73,145,300	588,492	157,139,242	0.819	198,944,896
2022	4,198,700	108,901,150	40,604,700	939,000	750,700	627,000	230,428,742	73,819,000	588,492	156,609,742	0.804	199,820,243

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Blairstown Township School District
 Direct and Overlapping Property Tax Rates - **Blairstown Township**
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Blairstown Township Board of Education			North Warren Regional School District	Blairstown Township	Warren County	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct				
2013	\$0.714	-0-	\$0.714	\$0.672	\$0.035	\$0.739	\$2.160
2014	\$0.720	-0-	\$0.720	\$0.693	\$0.015	\$0.739	\$2.167
2015	\$0.742	-0-	\$0.742	\$0.703	\$0.020	\$0.766	\$2.231
2016	\$0.755	-0-	\$0.755	\$0.720	\$0.020	\$0.781	\$2.276
2017	\$0.778	-0-	\$0.778	\$0.747	\$0.020	\$0.770	\$2.315
2018	\$0.758	-0-	\$0.758	\$0.769	\$0.020	\$0.760	\$2.307
2019	\$0.757	-0-	\$0.757	\$0.808	\$0.020	\$0.714	\$2.299
2020	\$0.774	-0-	\$0.774	\$0.838	\$0.075	\$0.729	\$2.416
2021	\$0.792	-0-	\$0.792	\$0.873	\$0.085	\$0.721	\$2.471
2022	\$0.839	-0-	\$0.839	\$0.878	\$0.123	\$0.720	\$2.560

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

Blairstown Township School District
 Direct and Overlapping Property Tax Rates - **Hardwick Township**
 Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	Blairstown Township Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate	
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Hardwick Township	North Warren Regional School District	Warren County		
2013	\$0.862	*	-0-	\$0.862	\$0.245	\$0.786	\$0.904	\$2.797
2014	\$0.916	*	-0-	\$0.916	\$0.232	\$0.684	\$0.913	\$2.745
2015	\$0.778	*	-0-	\$0.778	\$0.277	\$0.847	\$0.893	\$2.795
2016	\$0.836	*	-0-	\$0.836	\$0.324	\$0.866	\$0.880	\$2.906
2017	\$0.822	*	-0-	\$0.822	\$0.330	\$0.911	\$0.906	\$2.969
2018	\$0.705	*	-0-	\$0.705	\$0.417	\$1.019	\$0.913	\$3.054
2019	\$0.608	*	-0-	\$0.608	\$0.458	\$1.133	\$0.895	\$3.094
2020	\$0.879	*	-0-	\$0.879	\$0.512	\$1.000	\$0.867	\$3.258
2021	\$0.819	*	-0-	\$0.819	\$0.517	\$1.013	\$0.890	\$3.239
2022	\$0.804	*	-0-	\$0.804	\$0.536	\$1.250	\$0.891	\$3.481

* - The Hardwick Township Board of Education (Non-operating district) Was merged with Blairstown School District effective June 30, 2009.

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to

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

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

Blairstown Township School District
Principal Property Tax Payers-**Blairstown Township**,
Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	Current			Nine Years Ago		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Public Service Gas & Electric	\$ 9,195,500	1	1.30%	2,078,500	2	0.71%
Blairstown Realty Associates, LLC	8,826,700	2	1.25%			
JD Air, Inc.	2,865,700	3	0.41%			
First National Bank of Hope	2,707,100	4	0.38%	1,360,600	6	0.46%
Rite Aid	2,486,200	5	0.35%			
Blair Academy	2,044,600	6	0.29%			
Embarq	1,984,733	7	0.28%			
Grater, LLC	1,963,500	8	0.28%	1,392,400	5	0.47%
Individual Taxpayer #1	1,705,000	9	0.24%	1,265,446	7	0.43%
Individual Taxpayer #2	1,693,700	10	0.24%	789,900	10	0.27%
Great Atlantic & Pacific Co.				6,592,000	1	2.24%
Jersey Central Power & Light				2,078,500	3	0.71%
Blair Air				1,613,000	4	0.55%
Woodborne Lane				1,070,000	8	0.36%
JMS Associates				800,000	9	0.27%
Total	\$ 35,472,733		5.02%	\$ 19,040,346		6.47%

Source: District ACFR & Municipal Tax Assessor

Blairstown Township School District
 Principal Property Tax Payers- **Hardwick Township**,
 Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	Current			Nine Years Ago		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
JCP&L	\$ 996,100	1	0.64%			
PSE&G	996,100	2	0.64%			
Individual Taxpayer #1	782,500	3	0.50%	859,400	2	0.65%
Individual Taxpayer #2	706,300	4	0.45%	612,500	6	0.46%
Individual Taxpayer #3	690,700	5	0.44%	519,000	7	0.39%
Individual Taxpayer #4	633,000	6	0.40%			
Individual Taxpayer #5	627,000	7	0.40%			
Individual Taxpayer #6	608,300	8	0.39%	802,700	3	0.60%
Individual Taxpayer #7	603,700	9	0.39%	462,900	9	0.35%
Individual Taxpayer #8	603,700	10	0.39%	424,600	10	0.32%
Westbrook Realty				969,000	1	0.73%
Terra Co., LLC				735,300	4	0.55%
Homestead Farm Assoc., LLC				671,900	5	0.51%
United Telephone Co. of NJ., Inc.				502,692	8	0.38%
Total	<u>\$ 7,247,400</u>		<u>4.63%</u>	<u>\$ 6,559,992</u>		<u>4.94%</u>

Source: District ACFR & Municipal Tax Assessor

**Blairstown Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$6,362,000	\$6,362,000	100.00%	-
2014	\$6,489,000	\$6,489,000	100.00%	-
2015	\$6,618,000	\$6,618,000	100.00%	-
2016	\$6,520,000	\$6,520,000	100.00%	-
2017	\$6,520,000	\$6,520,000	100.00%	-
2018	\$6,650,000	\$6,650,000	100.00%	-
2019	\$6,625,000	\$6,625,000	100.00%	-
2020	\$6,900,000	\$6,900,000	100.00%	-
2021	\$6,900,000	\$6,900,000	100.00%	-
2022	\$7,196,000	\$7,196,000	100.00%	-

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

Note:

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

**Blairstown Township School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Blairstown Township School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Exhibit J-11

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	Bond Anticipation Notes (BANs)	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2013	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-

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

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

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

R Revised

* Current data unavailable

**Blairstown Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2022**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Blairstown Township	\$ 3,254,701	100.000%	\$ 3,254,701
Hardwick Township	525,440	100.000%	525,440
North Warren Regional School District	-	0.000%	-
Other debt			
Warren County (Includes apportionment for Blairstown and Hardwick Townships)	1,305,000	8.176%	<u>106,693</u>
Subtotal, overlapping debt			3,886,834
Blairstown School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 3,886,834</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2019 729,654,013
	2020 728,826,838
	2021 787,799,476
	<u>[A] \$ 2,246,280,327</u>
Average equalized valuation of taxable property	<u>[A/3] \$ 748,760,109</u>
Debt limit (2 1/2 % of average equalization value)	<u>[B] 18,719,003</u>
Net bonded school debt	<u>[C] -</u>
Legal debt margin	<u>[B-C] \$ 18,719,003</u>

	Fiscal Year									
	<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>
Debt limit	\$25,247,472	\$23,634,225	\$22,810,083	\$22,518,575	\$22,482,614	\$22,482,614	\$17,704,487	\$17,897,750	\$18,181,323	\$18,719,003
Total net debt applicable to limit				-	-	-	-	-	-	-
Legal debt margin	<u>\$25,247,472</u>	<u>\$23,634,225</u>	<u>\$22,810,083</u>	<u>\$22,518,575</u>	<u>\$22,482,614</u>	<u>\$22,482,614</u>	<u>\$17,704,487</u>	<u>\$17,897,750</u>	<u>\$18,181,323</u>	<u>\$18,719,003</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

*

Effective for fiscal year 2010 and forward, the legal debt margin includes Hardwick Township to reflect the Non-operating Hardwick Township Board of Education merger into Blairstown Township School District.

**Blairstown Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	7,514	\$ 351,083,745	\$47,223 R	8.0%
2014	7,456	\$ 363,961,890	\$48,887 R	5.9%
2015	7,458	\$ 381,001,470	\$50,741 R	5.0%
2016	7,440	\$ 381,052,372	\$51,503 R	4.2%
2017	7,392	\$ 379,474,410	\$53,149 R	3.9%
2018	7,366	\$ 383,383,754	\$54,973 R	3.5%
2019	7,359	\$ 393,934,629	\$56,956 R	3.2%
2020	7,310	\$ 409,783,980	\$60,525 R	8.5%
2021	7,321	\$ 423,549,134	\$60,525 *	5.5%
2022	7,345	\$ 444,556,125	\$60,525 *	*

Source:

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

Includes Blairstown and Hardwick Townships

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

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

R =Revised

* Current data unavailable

**Blairstown Township School District
Principal Employers,
Current Year and Nine Years Ago**

**Exhibit J-15
N/A**

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

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

**Blairstown Township School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

Exhibit J-16

<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	36.8	33.0	33.0	34.0	33.0	32.0	30.6	31.5	31.5	31.5
Special education	11.7	12.4	12.3	11.5	12.9	12.5	12.5	12.5	12.5	12.5
Other instruction	2.0	6.0	6.0	6.5	6.6	6.5	6.5	6.5	6.5	6.5
Support Services:										
Tuition										
Student & instruction related services	35.7	28.8	27.5	23.2	24.1	25.4	25.7	23.5	22.5	22.5
General administrative services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Business administrative services	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.5
Plant operations and maintenance	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	3.0
Pupil transportation	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total	99.0	93.0	91.6	88.0	89.4	88.7	87.6	86.3	85.3	84.5

Source: District Personnel Records

**Blairstown Township School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2013	554	\$ 8,966,733	\$ 16,185	9.37%	50	10.8:1		554.8	524.7	-7.35%	94.6%
2014	532	\$ 8,856,284	\$ 16,647	2.85%	51	10.4:1		532.6	505.8	-4.00%	95.0%
2015	542	\$ 8,977,278	\$ 16,563	-0.50%	51	10.6:1		541.7	516.3	1.71%	95.3%
2016	508	\$ 9,235,014	\$ 18,179	9.76%	49	10.4:1		508.4	486.6	-6.15%	95.7%
2017	481	\$ 9,483,139	\$ 19,715	8.45%	53	9.1:1		481.3	463.3	-5.33%	96.3%
2018	466	\$ 9,391,757	\$ 20,154	2.22%	51	9.1:1		463.9	446.5	-3.62%	96.2%
2019	457	\$ 10,606,902	\$ 23,210	15.16%	50	9.1:1		458.3	435.1	-1.21%	94.9%
2020	463	\$ 9,433,399	\$ 20,375	-12.22%	52	8.9:1		468.0	466.4	2.12%	99.7%
2021	404	\$ 10,049,055	\$ 24,874	22.08%	51	7.9:1		402.0	388.0	-14.10%	96.5%
2022	429	\$ 10,436,669	\$ 24,328	-2.20%	51	8.4:1		436.3	408.3	8.53%	93.6%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff. Prior to 2021, amount include aides.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Blairstown Township School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Blairstown Elementary (1929)										
Square Feet	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762	78,762
Capacity (students)	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0	510.0
Enrollment	554.0	532.0	541.7	508.4	481.0	466.0	457.0	463.0	404.0	429.0

Number of Schools at June 30, 2022

Source: District records, ASSA

Elementary = 1

Note: Enrollment is based on the annual October district count.

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2022

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>Total</u>
Blairstown Elementary	040	\$198,270	\$282,710	\$268,546	\$470,948	\$270,672	\$188,179	\$195,448	\$164,058	\$403,993	\$138,662	\$2,383,216
Total School Facilities		198,270	282,710	268,546	470,948	270,672	188,179	195,448	164,058	403,993	138,662	1,022,204
Other Facilities												
Grand Total		\$198,270	\$282,710	\$268,546	\$470,948	\$270,672	\$188,179	\$195,448	\$164,058	\$403,993	\$138,662	\$2,383,216

BLAIRSTOWN TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
6/30/2022
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 1,000
Accounts Receivable	250,000	1,000
Automobile Physical Damage	In Blanket Limit	1,000
Electronic Data Processing Equipment	250,000	1,000
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	11,000,000	
Automobile Liability	11,000,000	
Employee Benefit Liability	11,000,000	1,000
<u>CRIME:</u>		
Blanket Employee Dishonesty	50,000	500
Forgery	50,000	500
Theft/Disappearance/Destruction:		
Inside	50,000	500
Outside	50,000	500
Computer Fraud	50,000	500
<u>SCHOOL BOARD LEGAL LIABILITY - NJSIG</u>	11,000,000	5,000
Zurich Insurance Company (NJSIG):		
<u>ENVIRONMENTAL IMPAIRMENT LIABILITY: (Site Pollution)</u>		
Limit of Liability:		
Incident	1,000,000	100,000
Fund Annual Aggregate	11,000,000	
<u>UNDERGROUND STORAGE TANK LIABILITY: (Chubb)</u>		
Claims & Remedation Costs Per Incident/Aggregate	1,000,000	5,000
Aggregate Limit for Defense Costs	1,000,000	
Total Policy Aggregate	2,000,000	
<u>PRIMARY FLOOD: (Selective)</u>		
Building	500,000	2,000
Contents	500,000	2,000
<u>WORKERS' COMPENSATION (NJSIG):</u>		
(a) Statutory Benefits	Included	
(a) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
Selective Insurance Company		
Public Employees' Faithful Performance Blanket Position Bond -		
Board Secretary - M Petty	25,000	
Treasurer - G Range	200,000	

Single Audit Section



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Blairstown Township School District
 County of Warren
 Blairstown, New Jersey 07825

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 Blairstown Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Blairstown Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 20, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Honorable President and
 Members of the Board of Education
 Blairstown Township School District
 County of Warren
 Blairstown, New Jersey 07825

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Blairstown Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2022. The Blairstown Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

-Continued-

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

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

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

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

Report on Internal Control Over Compliance

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

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

-Continued-

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2021	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2022			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
General Fund:																
Impact Aid	84.041	N/A	N/A	37,802	7/1/21	6/30/22			\$ 37,802	\$ (37,802)						\$ 37,802
Total General Fund							-	-	37,802	(37,802)	-	-	-	-	-	37,802
U.S. Department of Education Passed-Through State Department of Education:																
Special Revenue Fund:																
Title I	84.010	S010A210030	N/A	54,204	7/1/21	6/30/22	\$ 1,421		37,382	(54,204)		\$ (16,822)	\$ 1,421			54,204
Total Title I Cluster							1,421	-	37,382	(54,204)	-	-	(16,822)	1,421	-	54,204
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	N/A	132,754	7/1/21	6/30/22			123,766	(132,754)		(8,988)	-			132,754
I.D.E.A. Part B, Basic Preschool	84.173	H173A210114	N/A	12,683	7/1/21	6/30/22			10,765	(12,683)		(1,918)	-			12,683
American Rescue Plan-IDEA Basic	84.027X	H027X210100	ARP IDEA	18,308	3/13/20	9/30/24	-		4,280	(16,822)		(14,028)	1,486			16,822
American Rescue Plan-IDEA Preschool	84.173X	H173X210114	ARP IDEA PS	1,561	3/13/20	9/30/24	-		-	(1,561)		(1,561)	-			1,561
Total Special Education Cluster							-	-	138,811	(163,820)	-	-	(26,495)	1,486	-	163,820
Rural Education Achievement Program	84.358A	S358B210030	S358A212838	43,892	7/1/21	9/30/22			43,892	(43,892)						43,892
Total REAP							-	-	43,892	(43,892)	-	-	-	-	-	43,892
American Rescue Plan-ESSER III	84.425U	S425U210027	ARP	317,142	3/13/20	9/30/24	-		-	-		(317,142)	317,142			
American Rescue Plan-Accel. Learn. Coaching &	84.425U	S425U210027	ARP	50,000	3/13/20	9/30/24	-		-	-		(50,000)	50,000			
American Rescue Plan-Evidence Based Summer	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-		-	-		(40,000)	40,000			
American Rescue Plan-Evidence Based Beyond	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-		-	-		(40,000)	40,000			
American Rescue Plan-NJTSS Mental Health Su	84.425U	S425U210027	ARP	45,000	3/13/20	9/30/24	-		-	-		(45,000)	45,000			
CRRSA - ESSER II	84.425D	S425D210027	CRRSA	141,113	3/13/20	9/30/23	-		138,949	(140,287)		(2,164)	826			140,287
CRRSA - Learning	84.425D	S425D210027	CRRSA	25,000	3/13/20	9/30/23	-		11,000	(11,000)		(14,000)	14,000			11,000
CRRSA - Mental Health	84.425D	S425D210027	CRRSA	45,000	3/13/20	9/30/23	-		34,226	(36,726)		(10,774)	8,274			36,726
Total Education Stabilization Fund							-	-	184,175	(188,013)	-	-	(519,080)	515,242	-	188,013
Total Special Revenue Fund							1,421	-	404,260	(449,929)	-	-	(562,397)	518,149	-	449,929
U.S. Department of Agriculture																
Passed-Through State Dept. of Education																
Enterprise Fund:																
Child Nutrition Cluster:																
Food Distribution Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	\$ 2,549			(2,549)						2,549
Food Distribution Program	10.555	221NJ304N1099	N/A	7,766	7/1/21	6/30/22			7,766	(6,372)			\$ 1,394			6,372
National School Lunch Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	(11,034)		4,221		\$ 6,813					
National School Lunch Program	10.555	221NJ304N1099	N/A	204,411	7/1/21	6/30/22			187,215	(204,411)		\$ (17,196)				204,411
P-EBT Administrative Cost	10.649	2022225900941	N/A	1,242	7/1/21	6/30/22			1,242	(1,242)		-				1,242
Total Enterprise Fund							(8,485)	-	200,444	(214,574)	6,813	-	(17,196)	1,394	-	214,574
TOTAL FEDERAL ASSISTANCE							\$ (7,064)	-	\$ 642,506	\$ (702,305)	\$ 6,813	-	\$ (579,593)	\$ 519,543	-	\$ 702,305

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

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

BLAIRSTOWN TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2021	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund															
Equalization Aid	22-495-034-5122-078	7/1/21-6/30/22	\$ 716,819			\$ 716,819	\$ (716,819)								
Transportation Aid	22-495-034-5122-014	7/1/21-6/30/22	83,167			83,167	(83,167)							\$ 71,615	\$ 716,819
Special Education Aid	22-495-034-5122-089	7/1/21-6/30/22	351,956			351,956	(351,956)							8,309	83,167
Security Aid	22-495-034-5122-084	7/1/21-6/30/22	52,071			52,071	(52,071)							35,163	351,956
Extraordinary Aid	22-495-034-5122-044	7/1/21-6/30/22	85,094				(85,094)			\$ (85,094)				5,202	52,071
Extraordinary Aid	21-495-034-5122-044	7/1/20-6/30/21	48,768	\$ (48,768)		48,768	-								85,094
Non-Public Transportation Aid	22-100-034-5122-068	7/1/21-6/30/22	3,190				(3,190)			(3,190)					-
Non-Public Transportation Aid	21-100-034-5122-068	7/1/20-6/30/21	1,945	(1,945)		1,945	-								3,190
On Behalf TPAF Pension	22-495-034-5094-002	7/1/21-6/30/22	1,327,548			1,327,548	(1,327,548)								1,327,548
On Behalf TPAF Pension PMR	22-495-034-5094-001	7/1/21-6/30/22	310,169			310,169	(310,169)								310,169
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004	7/1/21-6/30/22	438			438	(438)								438
Reimb. TPAF Soc.Secur.Contrib.	22-495-034-5094-003	7/1/21-6/30/22	278,184	(14,299)		278,864	(278,184)			(13,619)					278,184
Total General Fund				(65,012)		3,171,745	(3,208,636)			(101,903)				120,289	3,208,636
State Department of Agriculture															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	21-100-034-5122-122	7/1/20-6/30/21		(412)		301		\$ 111							
Nat.School Lunch Prog.(State Share)	22-100-034-5122-122	7/1/21-6/30/22	4,803			4,407	(4,803)			(396)					4,803
Total Enterprise Fund				(412)		4,708	(4,803)	111		(396)					4,803
Total State Financial Assistance				\$ (65,424)		\$ 3,176,453	\$ (3,213,439)	\$ 111		\$ (102,299)				\$ 120,289	\$ 3,213,439
<u>Less: On-behalf TPAF Pension Amounts</u>															
On Behalf TPAF Pension	22-495-034-5094-002						1,327,548								
On Behalf TPAF Pension PMR	22-495-034-5094-001						310,169								
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004						438								
Total State Expenditures Subject to Major Program Determination							\$ (1,575,284)								

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

NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1. GENERAL

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, Blairstown Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from federal and state agencies, as well as state financial assistance passed through other government agencies is included on the schedules of expenditure of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$29,940 for the general fund and (\$10,066) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 37,802	\$ 3,238,576	\$ 3,276,378
Special Revenue Fund	439,863	-	439,863
Food Service Fund	<u>214,574</u>	<u>4,803</u>	<u>219,377</u>
Total Financial Assistance	<u>\$ 692,239</u>	<u>\$ 3,243,379</u>	<u>\$ 3,935,618</u>

NOTE 4. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes None Reported

Noncompliance material to financial statements noted? ___ Yes No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of? ___ Yes ___ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x_yes_ _no

Internal Control over major programs:
1) Material weakness(es) identified? _yes_ _no
2) Were significant deficiencies identified that were not considered to be material weaknesses? _yes_ _no

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? _yes_ _no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

22-495-034-5093-003

Reimbursed TPAF Soc.Secur.Contrib.

State Aid Cluster:

22-495-034-5122-078

Equalization Aid

22-495-034-5122-089

Special Education Aid

22-495-034-5122-084

Security Aid

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section II-Financial Statement Findings

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

Financial Statement N/A

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

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

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year recommendations.