

**BEDMINSTER TOWNSHIP
SCHOOL DISTRICT**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

**Bedminster Township School District
Board of Education**

Bedminster, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Bedminster Township School District
Board of Education**

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

BEDMINSTER TOWNSHIP PUBLIC SCHOOL DISTRICT

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

October 31, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Bedminster Township School District (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial statements, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Bedminster Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards board ("GASB") in codification section 2100. All funds of the District are included in this report. The Bedminster Township School District and its school constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Pre-K through 8 and through a send-receive tuition relationship with Somerset Hills School District for grades 9 through 12. Services include regular as well as special education for handicapped students, charter school tuition, sending tuition, aid-in-lieu transportation and special education out of district placement. The District completed the 2022-2023 fiscal year with an enrollment of 451 pupils Pre-K through 8, a decrease from the previous year's enrollment of thirty nine students.

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

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

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

Monitoring

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

Facilities

The district recently added new bleachers to the softball field and removed carpeting and replaced it with tile throughout the Board Office, main office, and Child Study Team suite. New fencing has been installed around the perimeter of the playground, detention basin and building by the local public path. Our auxiliary parking lot and custodial parking lot have been paved this summer. Planning has begun for the next budget year to continue upgrading and maintaining our facilities in accordance with our Comprehensive Maintenance Plan (CMP) and Long Range Facilities Plan (LRFP) which plans and budgets the major infrastructure repairs/enhancements to the district owned assets. Together the ongoing funding and support of the CMP and the LRFP ensure that the value of the largest jointly owned asset in the community is preserved. We are currently in the process of replacing all carpeted areas with tile.

Student Achievement

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

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

Staffing

The Bedminster School District is fully staffed.

District Goals

Each year the Bedminster Township School Board of Education meets to discuss the progress of goals at the annual Board Retreat. Goals are then adjusted accordingly for the upcoming school year. Math achievement and social-emotional well-being are the district goals at Bedminster Township School for the 2023-2024 school year.

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

Staff Development

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

Technology

The District continues to implement the strategies for meeting the goals of all staff and students. The technology education curriculum for Kindergarten through grade eight emphasizes the infusion of technology into all areas of the school curricula. To improve communications with students and parents, we provide a web-based portal that enables parents and pupils to log on and view up-to-date attendance, grading and assignment information for each of their children. The system also has a web-based teacher grade book, which allows teachers to maintain grades and assignments electronically. The district is currently 1:1 K-8 with student devices and is updating multiple teacher devices this school year.

Sustainability

The Bedminster School District is committed to improving our sustainability and reducing our carbon footprint throughout the building. We anticipate a continued focus on this by upgrading our retention basin and creating outdoor educational spaces for our students to learn about our environment. Our work has already begun with the addition of a fence enclosed school garden and outdoor seating /learning space for students. We received silver certification from Sustainable Jersey for Schools in the summer of 2023. BTS has a district Sustainability Green Team composed of students and other stakeholders.

Community Outreach/Safety and Security

The Board encourages community input to assist with the planning and decision making about student and staff safety and security and educational programming. Stakeholders are represented working with Bedminster Township on shared services, grant opportunities, the Bedminster Technology Committee, Special Education Parent Advisory Group, School Safety and Climate Committee, Wellness Committee, the Bedminster PBA, Somerset Hills Municipal Alliance Committee, the Governor's Educator of the Year selection committee, School Improvement Panel (SciP), Environmental Committee, Read Across America, and the Parent Teacher Organization. The District also partners with the Bedminster non-public schools to offer educational opportunities for both public and non-public pupils. The District's commitment and emphasis on the importance of community volunteerism is demonstrated by the newly revised community service requirement of twenty hours by the end of eighth grade. The District continues to promote current fundraising opportunities with community stakeholders to fund student activities. This district also gives back to the community by orchestrating an annual food drive for the local food pantry and a drive for a local animal shelter.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments, and assignments of fund balance on June 30, 2023.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bedminster Township School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report was accomplished with the efficient and dedicated services of our Board Office staff.

Respectfully submitted,

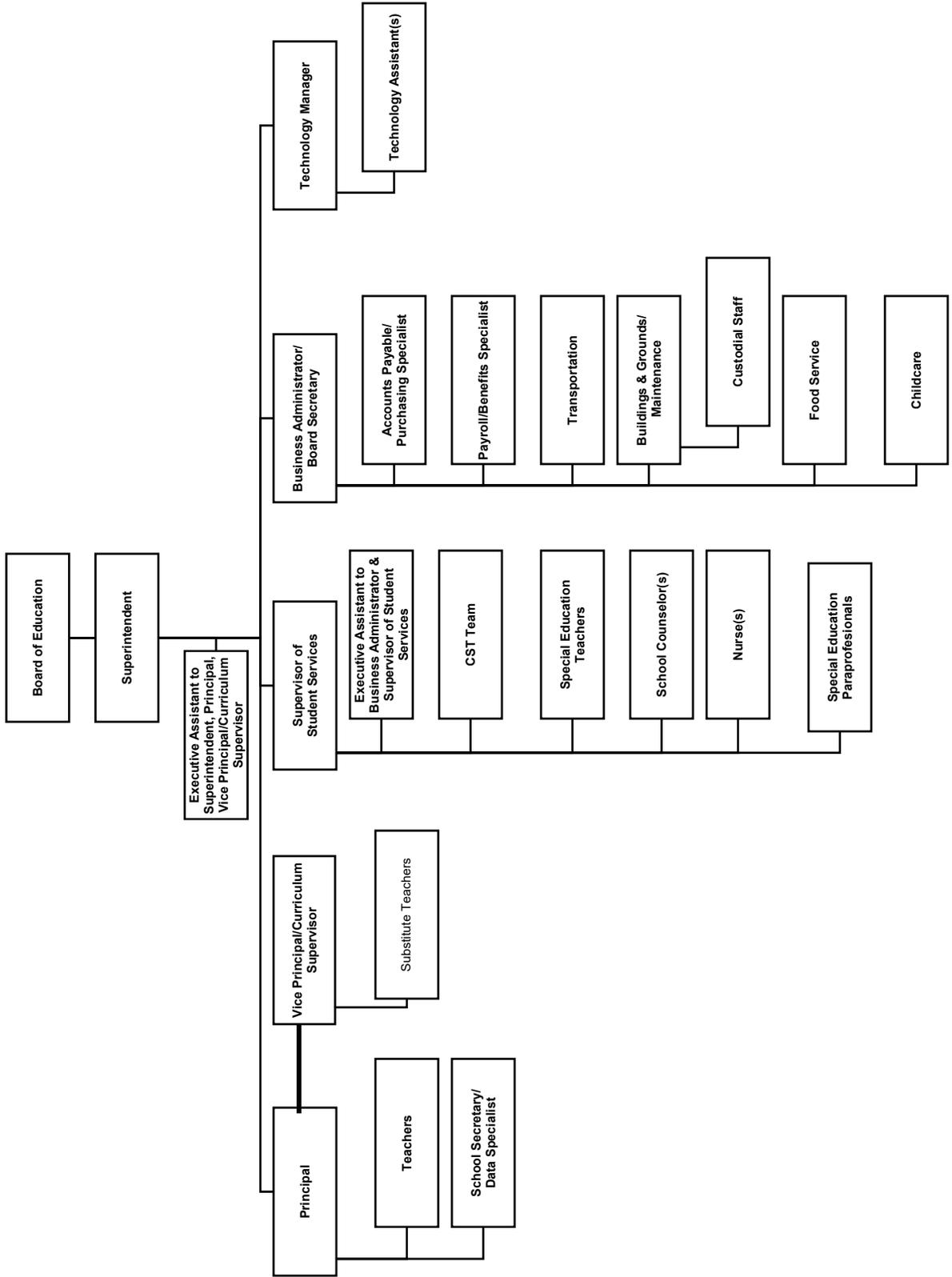


Robbin Boehmer
Business Administrator/
Board Secretary



Jennifer Giordano
Superintendent

Bedminster Township School District



**BEDMINSTER TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Suzie Stevinson, President	2025
Stephen Calulo, Vice-President	2023
Jeffrey Reaves	2024
Gabriela Gomez	2025
Judy Creelman	2023
Sarah Nathans	2023
Patricia Segal	2025
Christy Biedron	2024
Gabriel Wickizer	2024

<u>Other Officials</u>	<u>Title</u>
Jennifer Giordano	Superintendent
Robbin Boehmer	School Business Administrator/Board Secretary (From July 1, 2023)
Eulalia Gillis	Interim School Business Administrator/Board Secretary (Through June 30, 2023)
Alicia M. Schauer	Treasurer
Nicholas Celso, III, Esq.	Board Attorney

Bedminster Township School District
Consultants and Advisors

Audit Firm

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

And

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

And

1140 Route 22 East, Suite 203
Bridgewater, NJ 08807

Board Attorney

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450 Main Street
Metuchen, NJ 08840

Special Education Attorney

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

Architect of Record

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

Official Depository

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bedminster Township School District (the "District"), in the County of Somerset, as of and for the fiscal year ended June 30, 2023, 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 District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District’s internal control over financial reporting and compliance.

October 31, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

This section of Bedminster Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

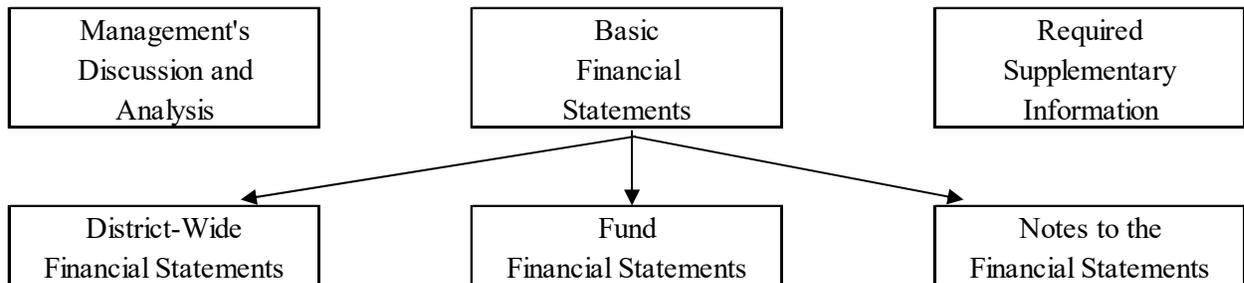
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

Figure A-1

Organization of the School District’s Financial Report



**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$16,407,309 on June 30, 2023, which was \$2,526,539, or 18.20% greater than the prior year (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2022/2023
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	
Current and							
Other Assets	\$ 9,855,041	\$ 8,282,025	\$ 64,731	\$ 155,112	\$ 9,919,772	\$ 8,437,137	
Capital Assets, Net	9,235,397	9,257,763	29,623	19,357	9,265,020	9,277,120	
Total Assets	19,090,438	17,539,788	94,354	174,469	19,184,792	17,714,257	8.30%
Deferred Outflows of Resources	325,724	287,328			325,724	287,328	13.36%
Other Liabilities	649,026	1,294,849	44,307	22,118	693,333	1,316,967	
Long-Term							
Liabilities	2,066,758	1,792,421			2,066,758	1,792,421	
Total Liabilities	2,715,784	3,087,270	44,307	22,118	2,760,091	3,109,388	-12.66%
Deferred Inflows of Resources	343,116	1,011,427			343,116	1,011,427	-66.08%
Net Position:							
Net Investment in							
Capital Assets	9,235,397	9,257,763	29,623	19,357	9,265,020	9,277,120	
Restricted	8,086,762	5,971,046			8,086,762	5,971,046	
Unrestricted/(Deficit)	(964,897)	(1,500,390)	20,424	132,994	(944,473)	(1,367,396)	
Total Net Position	\$ 16,357,262	\$ 13,728,419	\$ 50,047	\$ 152,351	\$ 16,407,309	\$ 13,880,770	18.20%

Changes in Net Position. Net position from governmental activities increased \$2,628,843 and net position from business-type activities decreased \$102,304.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2022/2023	Business- Type Activities 2022/2023	Governmental Activities 2021/2022	Business- Type Activities 2021/2022	Total School District 2022/2023	Total School District 2021/2022	Percentage Change 2022/2023
Revenue:							
Program Revenue:							
Charges for Services	\$ 94,249	\$ 128,575	\$ 77,494	\$ 39,609	\$ 222,824	\$ 117,103	
Operating Grants and Contributions	5,089,140	65,318	4,353,841	216,687	5,154,458	4,570,528	
General Revenue:							
Property Taxes	18,056,538		17,702,488		18,056,538	17,702,488	
Other	631,747	444	189,935	8	632,191	189,943	
Total Revenue	23,871,674	194,337	22,323,758	256,304	24,066,011	22,580,062	6.58%
Expenses:							
Instruction	9,531,971		9,686,167		9,531,971	9,686,167	
Pupil and Instruction Services	7,559,136		7,322,017		7,559,136	7,322,017	
Administrative and Business	1,135,893		1,129,951		1,135,893	1,129,951	
Maintenance and Operations	992,539		1,138,060		992,539	1,138,060	
Transportation	1,358,001		1,274,187		1,358,001	1,274,187	
Capital Outlay	296,298		27,639		296,298	27,639	
Other	368,993	294,311	368,993	179,961	663,304	548,954	
Total Expenses	21,242,831	294,311	20,947,014	179,961	21,537,142	21,126,975	1.94%
Other Items:							
Cancellation of Accounts Receivable from Prior Years		(2,330)			(2,330)		-100.00%
Increase/(Decrease) in Net Position	\$ 2,628,843	\$ (102,304)	\$ 1,376,744	\$ 76,343	\$ 2,526,539	\$ 1,453,087	73.87%

Governmental Activities

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

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

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

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2022/2023	2022/2023	2021/2022	2021/2022
Instruction	\$ 9,531,971	\$ 5,042,145	\$ 9,686,167	\$ 7,485,055
Pupil and Instruction Services	7,559,136	7,444,266	7,322,017	7,230,017
Administrative and Business	1,135,893	835,961	1,129,951	1,071,739
Maintenance and Operations	992,539	992,539	1,138,060	1,138,060
Transportation	1,358,001	1,079,240	1,274,187	1,036,972
Capital Outlay	296,298	296,298	27,639	27,639
Other	368,993	368,993	368,993	368,993
	<u>\$ 21,242,831</u>	<u>\$ 16,059,442</u>	<u>\$ 20,947,014</u>	<u>\$ 18,358,475</u>

Business-Type Activities

Net position from the District’s business-type activity decreased by \$102,304. (Refer to Figure A-4).

- Food services expenses exceeded revenues by \$102,304.

Financial Analysis of the District’s Funds

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

General Fund Budgetary Highlights

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

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Capital Asset and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022	Change 2022/2023
Sites and Site							
Improvements	\$ 177,657	\$ 177,916			\$ 177,657	\$ 177,916	
Buildings and Building							
Improvements	8,786,337	8,939,445			8,786,337	8,939,445	
Machinery and							
Equipment	271,403	140,402	\$ 29,623	\$ 19,357	301,026	159,759	
Total Capital Assets							
(Net of Depreciation)	<u>\$ 9,235,397</u>	<u>\$ 9,257,763</u>	<u>\$ 29,623</u>	<u>\$ 19,357</u>	<u>\$ 9,265,020</u>	<u>\$ 9,277,120</u>	-0.13%

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage
	2022/2023	2021/2022	Change 2022/2023
Compensated Absences Payable	\$ 200,728	\$ 295,308	
Net Pension Liability - PERS	1,866,030	1,497,113	
	<u>\$ 2,066,758</u>	<u>\$ 1,792,421</u>	15.31%

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

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,607,023	\$ 57,424	\$ 3,664,447
Receivables from State Government	426,035	148	426,183
Receivables from Federal Government	76,286	2,615	78,901
Other Receivables	81		81
Inventories		4,544	4,544
Restricted Cash and Cash Equivalents	5,745,616		5,745,616
Capital Assets, Net			
Sites (Land)	7,444		7,444
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	9,227,953	29,623	9,257,576
Total Assets	<u>19,090,438</u>	<u>94,354</u>	<u>19,184,792</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	325,724		325,724
Total Deferred Outflows of Resources	<u>325,724</u>		<u>325,724</u>
LIABILITIES			
Accounts Payable	599,307	9,008	608,315
Payable to State Government	17,692		17,692
Unearned Revenue	32,027	35,299	67,326
Noncurrent Liabilities:			
Due Beyond One Year	2,066,758		2,066,758
Total Liabilities	<u>2,715,784</u>	<u>44,307</u>	<u>2,760,091</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	343,116		343,116
Total Deferred Inflows of Resources	<u>343,116</u>		<u>343,116</u>
NET POSITION			
Net Investment in Capital Assets	9,235,397	29,623	9,265,020
Restricted for:			
Capital Projects	4,174,369		4,174,369
Maintenance Reserve	1,037,725		1,037,725
Tuition Reserve	900,000		900,000
Unemployment Compensation	68,400		68,400
Student Activities	40,382		40,382
Excess Surplus	1,865,886		1,865,886
Unrestricted/(Deficit)	(964,897)	20,424	(944,473)
Total Net Position	<u>\$ 16,357,262</u>	<u>\$ 50,047</u>	<u>\$ 16,407,309</u>

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 6,855,911	\$ 43,426	\$ 2,457,884	\$ (4,354,601)		\$ (4,354,601)
Special Education	2,371,713		1,941,973	(429,740)		(429,740)
Other Special Instruction	156,934		46,543	(110,391)		(110,391)
Other Instruction	147,413			(147,413)		(147,413)
Support Services:						
Tuition	5,440,692			(5,440,692)		(5,440,692)
Student & Instruction Related Services	2,118,444	50,823	64,047	(2,003,574)		(2,003,574)
General Administrative Services	399,598		88,658	(310,940)		(310,940)
School Administrative Services	419,224		119,093	(300,131)		(300,131)
Central Services	317,071		92,181	(224,890)		(224,890)
Plant Operations and Maintenance	992,539			(992,539)		(992,539)
Pupil Transportation	1,358,001		278,761	(1,079,240)		(1,079,240)
Capital Outlay	296,298			(296,298)		(296,298)
Unallocated Depreciation	368,993			(368,993)		(368,993)
Total Governmental Activities	21,242,831	94,249	5,089,140	(16,059,442)		(16,059,442)
Business-Type Activities:						
Food Service	294,311	128,575	65,318		\$ (100,418)	(100,418)
Total Business-Type Activities	294,311	128,575	65,318		(100,418)	(100,418)
Total Primary Government	\$ 21,537,142	\$ 222,824	\$ 5,154,458	(16,059,442)	(100,418)	(16,159,860)

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 18,056,538		\$ 18,056,538
Federal and State Aid not Restricted	70,537		70,537
Miscellaneous Income	561,210	\$ 444	561,654
Other Items:			
Cancellation of Prior Year Accounts Receivable		(2,330)	(2,330)
Total General Revenue	18,688,285	(1,886)	18,686,399
Change in Net Position	2,628,843	(102,304)	2,526,539
Net Position - Beginning	13,728,419	152,351	13,880,770
Net Position - Ending	\$ 16,357,262	\$ 50,047	\$ 16,407,309

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

FUND FINANCIAL STATEMENTS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,101,480	\$ 30,283	\$ 3,131,763
Receivables From State Government	426,035		426,035
Receivables From Federal Government		76,286	76,286
Other Accounts Receivable	81		81
Restricted Cash and Cash Equivalents	6,180,494	40,382	6,220,876
Total Assets	<u>\$ 9,708,090</u>	<u>\$ 146,951</u>	<u>\$ 9,855,041</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 369,681	\$ 59,825	\$ 429,506
Payable to State Government		17,692	17,692
Unearned Revenue	2,975	29,052	32,027
Total Liabilities	<u>372,656</u>	<u>106,569</u>	<u>479,225</u>
Fund Balances:			
Restricted:			
Capital Reserve	4,174,369		4,174,369
Maintenance Reserve	1,037,725		1,037,725
Unemployment Compensation	68,400		68,400
Student Activities		40,382	40,382
Tuition Reserve - 2023-2024	450,000		450,000
Tuition Reserve - 2024-2025	450,000		450,000
Excess Surplus - 2023-2024	892,716		892,716
Excess Surplus - 2024-2025	973,170		973,170
Debt Service Fund			
Assigned for:			
Designated for Subsequent Year's Expenditures	631,516		631,516
Unassigned:			
General Fund	657,538		657,538
Total Fund Balances	<u>9,335,434</u>	<u>40,382</u>	<u>9,375,816</u>
Total Liabilities and Fund Balances	<u>\$ 9,708,090</u>	<u>\$ 146,951</u>	<u>\$ 9,855,041</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

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

Total Fund Balances from above	\$ 9,375,816
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore a are not Reported in the Funds.	9,235,397
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.	(200,728)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,866,030)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	155,923
Deferred Inflows	<u>(343,116)</u>
Net Position of Governmental Activities	<u><u>\$ 16,357,262</u></u>

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 18,056,538		\$ 18,056,538
Tuition from Individuals	43,426		43,426
Interest Earned on Maintenance Reserve Funds	9,705		9,705
Interest Earned on Capital Reserve Funds	16,174		16,174
Other Restricted Miscellaneous Revenue	11,819	\$ 50,823	62,642
Unrestricted Miscellaneous Revenue	503,555	19,957	523,512
Total - Local Sources	18,641,217	70,780	18,711,997
State Sources	4,223,203	71,470	4,294,673
Federal Sources		759,389	759,389
Total Revenues	22,864,420	901,639	23,766,059
EXPENDITURES:			
Current:			
Regular Instruction	3,616,125	364,760	3,980,885
Special Education Instruction	1,147,666	175,697	1,323,363
Other Special Instruction	82,211		82,211
School-Sponsored/Other Instruction	132,253		132,253
Support Services and Undistributed Costs:			
Tuition	5,440,692		5,440,692
Student and Other Instruction Related Services	1,759,662	53,604	1,813,266
General Administration Services	250,511		250,511
School Administration Services	236,829		236,829
Central Services	165,721		165,721
Plant Operations and Maintenance	954,498		954,498
Student Transportation	1,349,717		1,349,717
Unallocated Benefits	5,134,122		5,134,122
Capital Outlay	372,793	310,359	683,152
Total Expenditures	20,642,800	904,420	21,547,220
Excess/(Deficit) of Revenue Over/(Under) Expenditures	2,221,620	(2,781)	2,218,839
Fund Balance - July 1	7,113,814	43,163	7,156,977
Fund Balance - June 30	\$ 9,335,434	\$ 40,382	\$ 9,375,816

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 2,218,839
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This amount by which capital outlays exceeded depreciation in the period.		
	Depreciation Expense	\$ (409,220)
	Capital Outlays	<u>386,854</u>
		(22,366)
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		94,580
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(368,917)
Change in Deferred Outflows		38,396
Change in Deferred Inflows		<u>668,311</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 2,628,843</u>

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 57,424
Intergovernmental Accounts Receivable:	
State	148
Federal	2,615
Inventories	4,544
Total Current Assets	<u>64,731</u>
Non-Current Assets:	
Capital Assets	156,433
Less: Accumulated Depreciation	<u>(126,810)</u>
Total Non-Current Assets	<u>29,623</u>
Total Assets	<u>94,354</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	9,008
Unearned Revenue - Prepaid Sales	4,986
Unearned Revenue - Supply Chain Assistance	28,887
Unearned Revenue - Donated Commodities	1,426
Total Liabilities	<u>44,307</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	29,623
Unrestricted	<u>20,424</u>
Total Net Position	<u>\$ 50,047</u>

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 92,574
Daily Sales - Non-Reimbursable Programs	<u>36,001</u>
Total Operating Revenue	<u>128,575</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	133,801
Cost of Sales - Non-Reimbursable Programs	52,034
Salaries, Benefits & Payroll Taxes	54,454
Management Fee	13,260
Miscellaneous Expense	37,439
Depreciation Expense	<u>3,323</u>
Total Operating Expenses	<u>294,311</u>
Operating Loss	<u>(165,736)</u>
Non-Operating Income:	
Local Sources:	
Interest Income	444
State Sources:	
State School Lunch Program	2,020
Federal Sources:	
National School Lunch Program	37,209
Supply Chain Assistance	7,299
Food Distribution Program	<u>18,790</u>
Total Non-Operating Income	<u>65,762</u>
Change in Net Position Before Other Items	(99,974)
Other Items:	
Cancellation of Accounts Receivable - Federal	(2,202)
Cancellation of Accounts Receivable - State	<u>(128)</u>
Total Other Items	<u>(2,330)</u>
Change in Net Position After Other Items	(102,304)
Net Position - Beginning of Year	<u>152,351</u>
Net Position - End of Year	<u>\$ 50,047</u>

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities - Enterprise Funds Food Service</u>
Cash Flows (Used for) Operating Activities:	
Receipts from Customers	\$ 128,575
Payments to Food Service Contractor	(278,822)
Net Cash (Used for) Operating Activities	<u>(150,247)</u>
Cash Flows Provided by Financing Activities:	
Interest Income	444
Net Cash Provided by Financing Activities	<u>444</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(13,589)
Net Cash (Used for) Capital and Related Financing Activities	<u>(13,589)</u>
Cash Flows Provided by Noncapital Financing Activities:	
State Sources	2,237
Federal Sources	86,630
Net Cash Provided by Noncapital Financing Activities	<u>88,867</u>
Net Decrease in Cash and Cash Equivalents	(74,525)
Cash and Cash Equivalents, July 1	<u>131,949</u>
Cash and Cash Equivalents, June 30	<u>\$ 57,424</u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (165,736)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Depreciation	3,323
Food Distribution Program	18,790
Changes in Assets and Liabilities:	
Decrease in Inventory	74
(Decrease) in Unearned Revenue - Prepaid Sales	(3,630)
(Decrease) in Unearned Revenue - Donated Commodities	(96)
(Decrease) in Accounts Payable	(2,972)
Net Cash (Used for) Operating Activities	<u>\$ (150,247)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$18,694 and Utilized Commodities Valued at \$18,790.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

The District reports the following proprietary fund:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 22,875,372	\$ 865,809
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Federal		35,070
State		760
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	96,545	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(107,497)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 22,864,420</u>	<u>\$ 901,639</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 20,642,800	\$ 868,590
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		35,830
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 20,642,800	\$ 904,420

E. Cash and Cash Equivalents and Investments

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

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

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing source/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the general or enterprise funds represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

O. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2023.

P. Compensated Absences

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

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

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

Q. Lease Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

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

T. Fund Balance Appropriated

General Fund: Of the \$9,335,434 General Fund Balance at June 30, 2023, \$4,174,369 is restricted in the capital reserve account; \$1,037,725 is restricted in the maintenance reserve account; \$900,000 is restricted in the tuition reserve account; \$68,400 is restricted for unemployment compensation; \$973,170 is restricted for current fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025; \$892,716 is restricted for the prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$631,516 is assigned and designated for subsequent year's expenditures and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; and \$657,538 is unassigned (which is \$107,497 less than the budgetary basis due to the non-recognition of the last two state aid payments).

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2023 is \$40,382 and is restricted for student activities.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2023 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$107,497 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Deficit in Net Position:

The District has a deficit in unrestricted net position of \$964,897 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2023 related to pension.

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

V. Net Position: (Cont'd)

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

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2023.

X. Revenue - Exchange and Non-exchange Transactions:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

X. Revenue - Exchange and Non-exchange Transactions: (Cont'd)

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1970, c.236 (C.17-9-41); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Total
Checking Accounts	\$ 6,220,876	\$ 3,189,187	\$ 9,410,063

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$9,410,063 and the bank balance was \$9,807,011.

NOTE 4. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District made a \$174,958 transfer to capital outlay. \$155,793 was for equipment which did not require county superintendent approval. The remaining \$19,165 required approval by the county superintendent which was obtained.

NOTE 5. CAPITAL RESERVE ACCOUNT

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT (Cont'd)

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

The activity for the Capital Reserve Account for the fiscal year ended June 30, 2023 is as follows:

Beginning Balance, July 1, 2022	\$ 1,958,195
Interest Earnings	16,174
Deposit by Board Resolution - June 2023	<u>2,200,000</u>
Ending Balance, June 30, 2023	<u><u>\$4,174,369</u></u>

The balance in the capital reserve account at June 30, 2023 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 6. MAINTENANCE RESERVE ACCOUNT

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Beginning Balance, July 1, 2022		\$ 752,760
Interest Earnings	\$ 9,705	
Deposit by Board Resolution - June 2023	<u>275,260</u>	
		<u>284,965</u>
Ending Balance, June 30, 2023		<u><u>\$ 1,037,725</u></u>

NOTE 7. TUITION RESERVE ACCOUNT

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

As of June 30, 2023, the District has \$900,000 in the tuition reserve which will be used to pay for any tuition adjustments for the fiscal years ending June 30, 2024 and June 30, 2025, respectively.

Beginning Balance, July 1, 2022		\$ 900,000
Deposit by Board Resolution - June 2023		450,000
Budgeted Withdrawal from Tuition Reserve		<u>(450,000)</u>
Ending Balance, June 30, 2023		<u><u>\$ 900,000</u></u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 7,444			\$ 7,444
Total Capital Assets Not Being Depreciated	<u>7,444</u>			<u>7,444</u>
Capital Assets Being Depreciated:				
Site Improvements	439,783			439,783
Buildings and Building Improvements	19,503,165	\$ 232,119		19,735,284
Machinery and Equipment	692,118	154,735		846,853
Total Capital Assets Being Depreciated	<u>20,635,066</u>	<u>386,854</u>		<u>21,021,920</u>
Governmental Activities Capital Assets	<u>20,642,510</u>	<u>386,854</u>		<u>21,029,364</u>
Less Accumulated Depreciation for:				
Site Improvements	(269,311)	(259)		(269,570)
Buildings and Building Improvements	(10,563,720)	(385,227)		(10,948,947)
Machinery and Equipment	(551,716)	(23,734)		(575,450)
	<u>(11,384,747)</u>	<u>(409,220)</u>		<u>(11,793,967)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,257,763</u>	<u>\$ (22,366)</u>	<u>\$ -0-</u>	<u>\$ 9,235,397</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 142,844	\$ 13,589		\$ 156,433
Less: Accumulated Depreciation	<u>(123,487)</u>	<u>(3,323)</u>		<u>(126,810)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,357</u>	<u>\$ 10,266</u>	<u>\$ -0-</u>	<u>\$ 29,623</u>
Depreciation expense was charged to governmental functions as follows:				
Regular Instruction				\$ 21,443
General Administration				6,752
School Administration				6,752
Central Services				3,357
Operations and Maintenance of Plant				1,923
Unallocated				368,993
				<u>\$ 409,220</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2022	Accrued	Retired	Balance 6/30/2023
Compensated Absences Payable	\$ 295,308	\$ 18,956	\$ 113,536	\$ 200,728
Net Pension Liability - PERS	1,497,113	368,917		1,866,030
	\$ 1,792,421	\$ 387,873	\$ 113,536	\$ 2,066,758

A. Bonds Payable:

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

As of June 30, 2023, the District has no bonds outstanding.

B. Bonds Authorized But Not Issued

As of June 30, 2023, the District had no bonds authorized but not issued.

C. Finance Purchases Payable

As of June 30, 2023, the District had no finance purchases payable.

D. Leases Payable

As of June 30, 2023, the District had no leases payable.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$200,728.

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, 2023, no liability existed for compensated absences in the Proprietary Fund.

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

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long-term portion is \$1,866,030. See Note 10 for further information on the PERS.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

District contributions to PERS amounted to \$155,927 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$3,926 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$1,866,030 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.01236%, which was an decrease of 0.00027% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit of \$181,863. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$3,926 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2018	5.63		\$ 44,855
	2019	5.21		56,055
	2020	5.16		164,831
	2021	5.13		13,678
	2022	5.04	\$ 5,782	
			<u>5,782</u>	<u>279,419</u>
Changes in Proportion	2018	5.63		10,227
	2019	5.21	13,417	
	2020	5.16	6,209	
	2021	5.13	39,814	
	2022	5.04		41,593
			<u>59,440</u>	<u>51,820</u>
Difference Between Expected and Actual Experience	2018	5.63		1,708
	2019	5.21	4,285	
	2020	5.16	9,183	
	2021	5.13		4,598
	2022	5.04		5,571
			<u>13,468</u>	<u>11,877</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	1,846	
	2020	5.00	55,471	
	2021	5.00	(345,994)	
	2022	5.00	365,910	
			<u>77,233</u>	
Contribution Subsequent to Measurement Date	2022	1.00	155,927	
			<u>\$ 311,850</u>	<u>\$ 343,116</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (160,066)
2024	(81,548)
2025	(39,770)
2026	86,762
2027	(191)
	\$ (194,813)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 – 6.55% based on years of service
Investment Rate of Return	
	7.00%

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 non-employer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 2,397,302	\$ 1,866,030	\$ 1,413,896

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$1,886,429 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$613,283.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$22,787,798. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0442%, which was an decrease of 0.0032% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>22,787,798</u>
Total	<u>\$ 22,787,798</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$613,283 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	<u>\$ (14,678,515,482)</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate - TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Total Net Pension Liability Associated with the District	\$ 26,719,177	\$ 22,787,798	\$ 19,476,105

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$9,536 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$12,950 for the fiscal year ended June 30, 2023.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

The audit of the NJSIG as of June 30, 2023 is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2022 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	<u>\$ 419,556,712</u>
Net Position	<u>\$ 184,982,708</u>
Total Revenue	<u>\$ 134,563,842</u>
Total Expenses	<u>\$ 121,403,370</u>
Change in Net Position	<u>\$ 13,160,472</u>
Members' Dividends	<u>\$ -0-</u>

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

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -0-	\$ 45	\$ 11,774	\$ 21,042	\$ 68,400
2021-2022	-0-	21	11,751	198	77,623
2020-2021	-0-	31	10,181	7,377	66,049

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2023 there were no interfund receivables or payables.

NOTE 14. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA Equitable	Lincoln Financial
AIG Valic	Metropolitan Life
Ameriprise	Security Benefit

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and October 25. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Encumbrances

The District had no encumbrances as of June 30, 2023.

Litigation

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

NOTE 17. ACCOUNTS PAYABLE

At June 30, 2023 the District had the following accounts payable:

	Governmental		District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business-Type
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors	\$ 273,095	\$ 59,825		\$ 332,920	\$ 9,008
Payroll Deductions and Withholdings	96,586			96,586	
Due to State of New Jersey			\$ 155,927	155,927	
	<u>\$ 369,681</u>	<u>\$ 59,825</u>	<u>\$ 155,927</u>	<u>\$ 585,433</u>	<u>\$ 9,008</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

The total non-employer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	151,669
Active Plan Members	213,148
Total	364,817

Total Non-employer OPEB Liability

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years	based on years	based on years
	of service	of service	of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 25,078,419.00
Changes for Year:	
Service Cost	1,105,163
Interest Cost	545,035
Changes in Assumptions	(5,517,153)
Differences Between Expected and Actual Experience	(122,391)
Member Contributions	17,319
Gross Benefit Payments	(539,874)
Net Changes	(4,511,901)
Balance at June 30, 2022	\$ 20,566,518

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total non-employer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 24,173,779	\$ 20,566,518	\$ 17,675,479

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Non-employer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total non-employer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total non-employer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 16,999,484	\$ 20,566,518	\$ 25,252,033

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$667,368 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 1,067,836
	2018	9.51		1,019,019
	2019	9.29	\$ 143,870	
	2020	9.24	3,396,836	
	2021	9.24	18,838	
	2022	9.13		4,912,864
				<u>3,559,544</u>
Differences between Expected and Actual Experience	2018	9.51		963,290
	2019	9.29		1,693,359
	2020	9.24	3,165,985	
	2021	9.24		3,622,547
	2022	9.13	505,954	
				<u>3,671,939</u>
Changes in Proportion	N/A	N/A	<u>963,222</u>	<u>1,221,099</u>
			<u>\$ 8,194,705</u>	<u>\$ 14,500,014</u>

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

Fiscal Year Ending June 30,	Total
2023	\$ (1,022,165)
2024	(1,022,165)
2025	(1,022,165)
2026	(883,407)
2027	(505,144)
Thereafter	<u>(1,592,386)</u>
	<u>\$ (6,047,432)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0133399767%	0.0134767609%	0.0148774342%	0.0124228029%	0.0120174700%	0.0122725746%	0.0123385030%	0.0126376014%	0.0123648741%
District's proportionate share of the net pension liability	\$ 2,549,535	\$ 3,025,263	\$ 4,406,269	\$ 2,891,830	\$ 2,366,180	\$ 2,211,332	\$ 2,012,087	\$ 1,497,113	\$ 1,866,030
District's covered employee payroll	\$ 867,215	\$ 832,497	\$ 982,465	\$ 910,760	\$ 847,756	\$ 862,427	\$ 913,269	\$ 882,773	\$ 927,226
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	293.99%	363.40%	448.49%	317.52%	279.11%	256.41%	220.32%	169.59%	201.25%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 87,509	\$ 115,864	\$ 158,428	\$ 143,956	\$ 120,451	\$ 127,024	\$ 141,184	\$ 148,001	\$ 155,927
Contributions in relation to the contractually required contribution	(87,509)	(115,864)	(158,428)	(143,956)	(120,451)	(127,024)	(141,184)	(148,001)	(155,927)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 832,497	\$ 982,465	\$ 910,760	\$ 847,756	\$ 862,427	\$ 913,269	\$ 882,773	\$ 927,226	\$ 906,528
Contributions as a percentage of covered employee payroll	10.51%	11.79%	17.40%	16.98%	13.97%	13.91%	15.99%	15.96%	17.20%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.0496230291%	0.0470828278%	0.0429856592%	0.0478064840%	0.0439997291%	0.0445190663%	0.0467010031%	0.0473662544%	0.0441671788%
State's proportionate share of the net pension liability attributable to the District	\$ 26,521,894	\$ 29,758,358	\$ 33,815,256	\$ 32,232,855	\$ 27,991,683	\$ 27,321,771	\$ 30,752,049	\$ 22,771,416	\$ 22,787,798
District's covered employee payroll	\$ 4,232,054	\$ 4,318,422	\$ 4,785,433	\$ 4,498,734	\$ 4,768,456	\$ 5,202,052	\$ 5,080,605	\$ 5,165,650	\$ 5,242,640
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	626.69%	689.10%	706.63%	716.49%	587.02%	525.21%	605.28%	440.82%	434.66%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,427,127	\$ 1,817,016	\$ 2,540,746	\$ 2,232,929	\$ 1,631,817	\$ 1,611,511	\$ 1,912,293	\$ 535,821	\$ 613,283
Contributions in relation to the contractually required contribution	(254,547)	(344,160)	(518,927)	(663,685)	(875,583)	(1,024,332)	(1,376,880)	(1,818,211)	(1,860,615)
Contribution deficiency/(excess)	\$ 1,172,580	\$ 1,472,856	\$ 2,021,819	\$ 1,569,244	\$ 756,234	\$ 587,179	\$ 535,413	\$ (1,282,390)	\$ (1,247,332)
District's covered employee payroll	\$ 4,318,422	\$ 4,785,433	\$ 4,498,734	\$ 4,768,456	\$ 5,202,052	\$ 5,080,605	\$ 5,165,650	\$ 5,242,640	\$ 5,092,440
Contributions as a percentage of covered employee payroll	33.05%	7.19%	11.53%	13.92%	16.83%	20.16%	26.65%	34.68%	36.54%

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

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 961,080	\$ 796,728	\$ 658,953	\$ 755,980	\$ 1,337,798	\$ 1,105,163
Interest Cost	676,284	785,129	757,893	641,535	650,561	545,035
Changes in Benefit Terms					(26,693)	
Changes in Assumptions	(2,785,642)	(2,201,883)	(2,522,590)	5,310,659	24,742	(5,517,153)
Differences Between Expected and Actual Experience		(1,076,692)	265,651	5,038,862	(5,485,277)	(122,391)
Member Contributions	18,235	17,733	16,212	15,341	16,632	17,319
Gross Benefit Payments	(495,200)	(513,072)	(546,925)	(506,139)	(512,460)	(539,874)
Net Change in Total OPEB Liability	(1,625,243)	(2,192,057)	(1,370,806)	11,256,238	(3,994,697)	(4,511,901)
Total OPEB Liability - Beginning	23,004,984	21,379,741	19,187,684	17,816,878	29,073,116	25,078,419
Total OPEB Liability - Ending	<u>\$ 21,379,741</u>	<u>\$ 19,187,684</u>	<u>\$ 17,816,878</u>	<u>\$ 29,073,116</u>	<u>\$ 25,078,419</u>	<u>\$ 20,566,518</u>
District's Covered Employee Payroll *	\$ 5,409,494	\$ 5,616,212	\$ 6,064,479	\$ 5,993,874	\$ 6,048,423	\$ 6,169,866
Total OPEB Liability as a Percentage of Covered Employee Payroll	395%	342%	294%	485%	415%	333%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4,5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 18,056,538		\$ 18,056,538	\$ 18,056,538	
Tuition From Individuals	22,500		22,500	43,426	\$ 20,926
Interest Earned on Maintenance Reserve	1,000		1,000	9,705	8,705
Interest Earned on Capital Reserve Funds	500		500	16,174	15,674
Other Restricted Miscellaneous Revenues				11,819	11,819
Unrestricted Miscellaneous Revenues	37,500		37,500	503,555	466,055
Total Revenues from Local Sources	<u>18,118,038</u>		<u>18,118,038</u>	<u>18,641,217</u>	<u>523,179</u>
Revenues from State Sources:					
Categorical Transportation Aid	262,658		262,658	262,658	
Extraordinary Aid				386,556	386,556
Categorical Special Education Aid	741,294		741,294	741,294	
Non Public Transportation Aid				20,662	20,662
Categorical Security Aid	71,015		71,015	71,015	
TPAF Post Retirement Contributions (Non-Budgeted)				495,560	495,560
TPAF Pension Contributions (Non-Budgeted)				1,860,615	1,860,615
TPAF Non-Contributory Insurance (Non-Budgeted)				25,814	25,814
TPAF Long-Term Disability Insurance (Non-Budgeted)				649	649
Reimbursed TPAF Social Security Contributions				369,332	369,332
Total Revenues from State Sources	<u>1,074,967</u>		<u>1,074,967</u>	<u>4,234,155</u>	<u>3,159,188</u>
TOTAL REVENUE	<u>19,193,005</u>		<u>19,193,005</u>	<u>22,875,372</u>	<u>3,682,367</u>

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 376,699		\$ 376,699	\$ 316,430	\$ 60,269
Grades 1-5 - Salaries of Teachers	1,750,188		1,750,188	1,499,126	251,062
Grades 6-8 - Salaries of Teachers	1,623,388	\$ (79,242)	1,544,146	1,356,685	187,461
Regular Programs - Home Instruction:					
Salaries of Teachers	76,700	(1,700)	75,000	9,629	65,371
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	18,000		18,000		18,000
Purchased Technical Services	74,750	(3,999)	70,751	19,645	51,106
Other Purchased Services (400-500 series)	47,846		47,846	35,283	12,563
General Supplies	100,094	(1,061)	99,033	69,532	29,501
Textbooks	60,000		60,000	1,031	58,969
Other Objects	301,145	56,770	357,915	308,764	49,151
Total Regular Programs - Instruction	4,428,810	(29,232)	4,399,578	3,616,125	783,453
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	159,535	462	159,997	159,997	
Other Salaries for Instruction	103,374	(462)	102,912	84,431	18,481
Purchased Professional-Educational Services	40,000		40,000		40,000
General Supplies	1,000		1,000	853	147
Total Learning and/or Language Disabilities	303,909		303,909	245,281	58,628
Resource Room/Resource Center:					
Salaries of Teachers	731,676	(15,175)	716,501	703,949	12,552
Other Salaries for Instruction	70,415		70,415	54,181	16,234
General Supplies	6,210	(260)	5,950	372	5,578
Total Resource Room/Resource Center	808,301	(15,435)	792,866	758,502	34,364

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 128,055	\$ 15,670	\$ 143,725	\$ 143,725	
Purchased Professional-Educational Services	11,300	(445)	10,855	81	\$ 10,774
General Supplies	1,725		1,725	77	1,648
Total Preschool Disabilities - Part-Time	141,080	15,225	156,305	143,883	12,422
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,253,290	(210)	1,253,080	1,147,666	105,414
Bilingual Education - Instruction:					
Salaries of Teachers	82,150		82,150	82,150	
General Supplies	1,025		1,025	61	964
Total Bilingual Education - Instruction	83,175		83,175	82,211	964
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	68,959		68,959	28,183	40,776
Supplies and Materials	11,000		11,000	2,258	8,742
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	79,959		79,959	30,441	49,518
School-Sponsored Athletics - Instruction:					
Salaries	46,680		46,680	44,387	2,293
Purchased Services (300-500 series)	10,000		10,000	8,124	1,876
Other Objects	15,621	(2,621)	13,000	12,786	214
Total School-Sponsored Athletics - Instruction	72,301	(2,621)	69,680	65,297	4,383
Summer School - Instruction:					
Salaries of Teachers	45,000		45,000	34,706	10,294
Other Salaries of Instruction	11,000		11,000	1,809	9,191
Total Summer School - Instruction	56,000		56,000	36,515	19,485
TOTAL INSTRUCTION	5,973,535	(32,063)	5,941,472	4,978,255	963,217

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 4,800,000	\$ (105,151)	\$ 4,694,849	\$ 4,512,400	\$ 182,449
Tuition to Other LEAs Within the State-Special	299,235	115,152	414,387	340,775	73,612
Tuition to Priv. Sch. for the Handicap. W/I State	766,582	(6,594)	759,988	587,517	172,471
Total Undistributed Expenditures - Instruction	5,865,817	3,407	5,869,224	5,440,692	428,532
Undistributed Expenditures - Health Services:					
Salaries	97,921	3,978	101,899	93,781	8,118
Purchased Professional and Technical Services	7,500	250	7,750	2,270	5,480
Supplies and Materials	6,000	(23)	5,977	5,691	286
Total Undist. Expenditures - Health Services	111,421	4,205	115,626	101,742	13,884
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	190,685		190,685	161,570	29,115
Purchased Professional - Educational Services	5,500		5,500	680	4,820
Supplies and Materials	4,568		4,568	436	4,132
Total Undist. Expend. - Speech, OT, PT, Related Svcs	200,753		200,753	162,686	38,067
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	195,030	(8,768)	186,262	186,139	123
Salaries of Secretarial and Clerical Assistants	103,282	10,052	113,334	113,334	
Supplies and Materials	2,300	(67)	2,233	560	1,673
Other Objects	1,000		1,000		1,000
Total Undist Expend. - Guidance	301,612	1,217	302,829	300,033	2,796

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 412,466	\$ 3,047	\$ 415,513	\$ 406,666	\$ 8,847
Salaries of Secretarial and Clerical Assistants	50,280		50,280	50,280	
Purchased Professional - Educational Services	610,860	2,310	613,170	329,569	283,601
Other Purchased Prof. and Tech. Services	13,000		13,000		13,000
Other Purchased Services (400-500 series)	500		500	68	432
Supplies and Materials	3,000		3,000	436	2,564
Total Undist Expend. - Child Study Team	1,090,106	5,357	1,095,463	787,019	308,444
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	99,045	14,000	113,045	113,045	
Other Purchased Services (400-500 series)	28,000	(14,000)	14,000	425	13,575
Supplies and Materials	250		250		250
Other Objects	250		250		250
Total Undist. Expend.-Improv. of Inst. Serv.	127,545		127,545	113,470	14,075
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	74,070		74,070	74,070	
Salaries of Technology Coordinators	158,012	187	158,199	155,199	3,000
Purchased Professional and Technical Services	1,500		1,500	676	824
Supplies and Materials	17,700	4,652	22,352	8,340	14,012
Other Objects	53,000		53,000	52,890	110
Total Undist Expend-Edu. Media Serv./Sch. Library	304,282	4,839	309,121	291,175	17,946
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	17,600	(780)	16,820	3,537	13,283
Total Undist.Expend.-Instructional Staff Training Services	17,600	(780)	16,820	3,537	13,283

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	\$ 169,238	\$ 31,682	\$ 200,920	\$ 156,482	\$ 44,438
Legal Services	47,000	(1,682)	45,318	29,215	16,103
Architectural/Engineering Services		8,000	8,000	8,000	
Other Purchased Professional Services	46,135		46,135	34,635	11,500
Purchased Technical Services	21,900	(8,000)	13,900	4,746	9,154
Communications / Telephone	360		360		360
Other Purch. Serv. (400-500 series other than 530 & 585)	10,000	(2,000)	8,000	3,008	4,992
General Supplies	10,800	2,000	12,800	6,042	6,758
Miscellaneous Expenditures	9,175		9,175	8,383	792
Total Undist. Expend.-Support Serv.-Gen. Admin.	314,608	30,000	344,608	250,511	94,097
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	208,301	22,901	231,202	210,202	21,000
Salaries of Secretarial and Clerical Assistants	22,091	224	22,315	22,222	93
Other Purchased Services (400-500 series)	4,050	(1,675)	2,375	2,219	156
Supplies and Materials	150		150	84	66
Other Objects	2,610	(450)	2,160	2,102	58
Total Undist. Expend.-Support Serv.-School Adm.	237,202	21,000	258,202	236,829	21,373
Undist. Expend. - Central Services:					
Salaries	177,870	20,208	198,078	162,702	35,376
Purchased Professional Services	15,000		15,000		15,000
Miscellaneous Purchased Services (400-500 series other than 594)	7,760	(780)	6,980	2,432	4,548
Supplies and Materials	4,500	(208)	4,292	434	3,858
Other Objects	2,000		2,000	153	1,847
Total Undist. Expend. - Central Services	207,130	19,220	226,350	165,721	60,629

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 190,664	\$	\$ 190,664	\$ 96,271	\$ 94,393
Cleaning, Repair, and Maintenance Services	372,315	\$ (22,745)	349,570	250,599	98,971
General Supplies	30,500		30,500	16,326	14,174
Total Undist. Expend.- Required Maint. for School Facilities	593,479	(22,745)	570,734	363,196	207,538
Undist. Expend.-Custodial Services:					
Salaries	277,261		277,261	207,793	69,468
Purchased Professional and Technical Services	23,500	4,701	28,201	5,052	23,149
Cleaning, Repair, and Maintenance Services	121,248	4,484	125,732	45,195	80,537
Other Purchased Property Services	25,000	2,054	27,054	21,058	5,996
Insurance	72,997	(2,054)	70,943	68,955	1,988
Miscellaneous Purchased Services	4,000		4,000	3,493	507
General Supplies	47,600		47,600	30,739	16,861
Energy (Natural Gas)	101,000		101,000	55,763	45,237
Energy (Electricity)	217,000		217,000	118,766	98,234
Other Objects	40,432	(1,194)	39,238	34,488	4,750
Total Undist. Expend.-Custodial Services	930,038	7,991	938,029	591,302	346,727
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	1,523,517	(14,754)	1,508,763	954,498	554,265
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	24,147		24,147	24,147	
Management Fee - ESC&CTSA Transportation Program	1,500		1,500		1,500
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	88,000		88,000	62,541	25,459
Contract. Serv.(Bet. Home & Sch.)-Vendors	595,237	(20,000)	575,237	451,027	124,210
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	16,000	20,000	36,000	28,895	7,105
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	204,077	(6,880)	197,197	192,146	5,051
Contract. Serv.(Spl. Ed. Students)-Vendors	185,769		185,769	163,666	22,103
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	75,665		75,665	34,311	41,354
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	468,560	(15,000)	453,560	391,961	61,599
Misc. Purchased Serv. - Transportation	1,200		1,200	1,023	177
Total Undist. Expend.-Student Trans. Serv.	1,660,155	(21,880)	1,638,275	1,349,717	288,558

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 194,070		\$ 194,070	\$ 137,609	\$ 56,461
Other Retirement Contributions - PERS	169,801	\$ (10,000)	159,801	155,927	3,874
Other Retirement Contributions - Regular		10,000	10,000	9,536	464
Unemployment Compensation	40,000	(11,000)	29,000		29,000
Workers Compensation	85,773	1,003	86,776	85,032	1,744
Health Benefits	2,484,675	(31,691)	2,452,984	1,924,743	528,241
Tuition Reimbursement	39,898	11,000	50,898	47,107	3,791
Other Employee Benefits	100,000		100,000	22,198	77,802
TOTAL UNALLOCATED BENEFITS	3,114,217	(30,688)	3,083,529	2,382,152	701,377
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				495,560	(495,560)
TPAF Pension Contributions (Non-Budgeted)				1,860,615	(1,860,615)
TPAF Non-Contributory Insurance (Non-Budgeted)				25,814	(25,814)
TPAF Long-Term Disability Insurance (Non-Budgeted)				649	(649)
Reimbursed TPAF Social Security Contributions				369,332	(369,332)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				2,751,970	(2,751,970)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,114,217	(30,688)	3,083,529	5,134,122	(2,050,593)
TOTAL UNDISTRIBUTED EXPENDITURES	15,075,965	21,143	15,097,108	15,291,752	(194,644)
TOTAL GENERAL CURRENT EXPENSE	21,049,500	(10,920)	21,038,580	20,270,007	768,573

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Grades 6-8	\$	393	\$ 393		\$ 393
Undistributed Expenditures - Admin. Info. Tech.		87,610	87,610	\$ 49,614	37,996
Undist. Expend. - Required Maint for School Fac.		22,890	22,890	22,890	
Undist. Expend. - Custodial Services		36,100	36,100	36,100	
Undistributed Expenditures - Non-Inst. Serv.		8,800	8,800	8,760	40
Total Equipment		155,793	155,793	117,364	38,429
Facilities Acquisition and Construction Serv.:					
Construction Services	\$ 301,023	19,165	320,188	255,429	64,759
Total Facilities Acquisition and Const. Serv.	301,023	19,165	320,188	255,429	64,759
TOTAL CAPITAL OUTLAY	301,023	174,958	475,981	372,793	103,188
TOTAL EXPENDITURES	21,350,523	164,038	21,514,561	20,642,800	871,761

TOWNSHIP OF BEDMINSTER SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	\$ (2,157,518)	\$ (164,038)	\$ (2,321,556)	\$ 2,232,572	\$ 4,554,128
Fund Balance, July 1	<u>7,210,359</u>		<u>7,210,359</u>	<u>7,210,359</u>	
Fund Balance, June 30	<u>\$ 5,052,841</u>	<u>\$ (164,038)</u>	<u>\$ 4,888,803</u>	<u>\$ 9,442,931</u>	<u>\$ 4,554,128</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Unemployment Compensation				\$ 68,400	
Capital Reserve				4,174,369	
Maintenance Reserve				1,037,725	
Tuition Reserve For 2024-2025				450,000	
Tuition Reserve For 2023-2024				450,000	
Excess Surplus - Restricted For 2024-2025				973,170	
Excess Surplus - Restricted For 2023-2024				892,716	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				631,516	
Unassigned Fund Balance				<u>765,035</u>	
				<u>9,442,931</u>	
Reconciliation to Governmental Funds Statement (GAAP):				<u>(107,497)</u>	
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,335,434</u>	

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 9,679	\$ 24,525	\$ 34,204	\$ 70,780	\$ 36,576
State Sources	88,391	21,323	109,714	70,710	(39,004)
Federal Sources	229,944	595,721	825,665	724,319	(101,346)
Total Revenue	328,014	641,569	969,583	865,809	(103,774)
Expenditures:					
Instruction:					
Salaries of Teachers	13,179	99,478	112,657	24,112	88,545
Purchased Professional and Technical Services	21,386	2,509	23,895	12,123	11,772
Other Purchased Services	177,240	153,178	330,418	324,202	6,216
General Supplies	76,532	(16,377)	60,155	51,250	8,905
Textbooks	8,342	1,426	9,768	9,768	
Total Instruction	296,679	240,214	536,893	421,455	115,438
Support Services:					
Purchased Professional and Technical Services		107,666	107,666	74,298	33,368
Purchased Professional and Educational Services	31,335	(10,993)	20,342	19,582	760
Supplies and Materials		19,113	19,113	14,896	4,217
Student Activities				53,604	(53,604)
Total Support Services	31,335	115,786	147,121	162,380	(15,259)
Facilities Acquisition and Construction Services:					
Instructional Equipment		285,569	285,569	284,755	814
Total Facilities Acquisition and Construction Services		285,569	285,569	284,755	814
Total Expenditures	328,014	641,569	969,583	868,590	100,993
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (2,781)	\$ (2,781)

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 22,875,372	\$ 865,809
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, Whereas the GAAP Basis does not:		
Federal		35,070
State		760
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	96,545	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(107,497)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 22,864,420</u>	<u>\$ 901,639</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 20,642,800	\$ 868,590
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		<u>35,830</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 20,642,800</u>	<u>\$ 904,420</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Every Student Succeeds Act				IDEA Part B		REAP Grant
	Title I	Title II Part A	Title IV	Basic	Preschool	ACSERS	
REVENUES:							
Local Sources							
State Sources							
Federal Sources	\$ 61,298	\$ 3,000	\$ 10,000	\$ 168,378	\$ 7,319	\$ 115,670	\$ 77,549
Total Revenues	61,298	3,000	10,000	168,378	7,319	115,670	77,549
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services					7,319		
Other Purchased Services				168,378		115,670	40,154
General Supplies							
Textbooks							
Total Instruction				168,378	7,319	115,670	40,154
Support Services:							
Purchased Professional and Technical Services	61,298	3,000	10,000				
Purchased Professional and Educational Services							
Supplies and Materials							
Student Activities							
Total Support Services	61,298	3,000	10,000				
Facilities Acquisition:							
Instructional Equipment							37,395
Total Facilities Acquisition							37,395
Total Expenditures	\$ 61,298	\$ 3,000	\$ 10,000	\$ 168,378	\$ 7,319	\$ 115,670	\$ 77,549

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Nursing	Nonpublic Technology	Nonpublic Textbooks	Nonpublic Security Aid	Non-Public Handicapped Services			
					Examination & Classification	Corrective Speech	Supplemental Instruction	
REVENUES:								
Local Sources								
State Sources	\$ 4,804	\$ 6,216	\$ 9,768	\$ 30,340	\$ 11,184	\$ 4,929	\$ 3,469	
Federal Sources								
Total Revenues	<u>4,804</u>	<u>6,216</u>	<u>9,768</u>	<u>30,340</u>	<u>11,184</u>	<u>4,929</u>	<u>3,469</u>	
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional and Technical Services	4,804							
Other Purchased Services				30,340				
General Supplies		6,216	9,768					
Textbooks								
Total Instruction	<u>4,804</u>	<u>6,216</u>	<u>9,768</u>	<u>30,340</u>				
Support Services:								
Purchased Professional and Technical Services					11,184	4,929	3,469	
Purchased Professional and Educational Services								
Supplies and Materials								
Student Activities								
Total Support Services					<u>11,184</u>	<u>4,929</u>	<u>3,469</u>	
Facilities Acquisition:								
Instructional Equipment								
Total Facilities Acquisition								
Total Expenditures	<u>\$ 4,804</u>	<u>\$ 6,216</u>	<u>\$ 9,768</u>	<u>\$ 30,340</u>	<u>\$ 11,184</u>	<u>\$ 4,929</u>	<u>\$ 3,469</u>	

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA		ARP			
	Learning Acceleration	Mental Health	ESSER III	Learning Acceleration	Beyond the School Day	Mental Health
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 39,827	\$ 7,968	\$ 212,622	\$ 17,304	\$ 195	\$ 3,150
Total Revenues	<u>39,827</u>	<u>7,968</u>	<u>212,622</u>	<u>17,304</u>	<u>195</u>	<u>3,150</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	39			16,691		
Purchased Professional and Technical Services						
Other Purchased Services					195	
General Supplies		1,924				
Textbooks						
Total Instruction	<u>39</u>	<u>1,924</u>		<u>16,691</u>	<u>195</u>	
Support Services:						
Purchased Professional and Technical Services						
Purchased Professional and Educational Services						
Supplies and Materials	5,089	6,044		613		3,150
Student Activities						
Total Support Services	<u>5,089</u>	<u>6,044</u>		<u>613</u>		<u>3,150</u>
Facilities Acquisition:						
Instructional Equipment	34,738		212,622			
Total Facilities Acquisition	<u>34,738</u>		<u>212,622</u>			
Total Expenditures	<u>\$ 39,827</u>	<u>\$ 7,968</u>	<u>\$ 212,622</u>	<u>\$ 17,304</u>	<u>\$ 195</u>	<u>\$ 3,150</u>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Local Grants	Student Activities	Total
REVENUES:			
Local Sources	\$ 19,957	\$ 50,823	\$ 70,780
State Sources			70,710
Federal Sources			724,319
Total Revenues	19,957	50,823	865,809
EXPENDITURES:			
Instruction:			
Salaries of Teachers	7,382		24,112
Purchased Professional and Technical Services			12,123
Other Purchased Services			324,202
General Supplies	12,575		51,250
Textbooks			9,768
Total Instruction	19,957		421,455
Support Services:			
Purchased Professional and Technical Services			74,298
Purchased Professional and Educational Services			19,582
Supplies and Materials			14,896
Student Activities		53,604	53,604
Total Support Services		53,604	162,380
Facilities Acquisition:			
Instructional Equipment			284,755
Total Facilities Acquisition			284,755
Total Expenditures	\$ 19,957	\$ 53,604	\$ 868,590

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 57,424
Intergovernmental Accounts Receivable:	
State	148
Federal	2,615
Inventories	4,544
	<hr/>

Total Current Assets	<hr/> 64,731
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Non-Current Assets:

Capital Assets	156,433
Less: Accumulated Depreciation	(126,810)
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Total Non-Current Assets	<hr/> 29,623
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Total Assets	<hr/> 94,354
--------------	--------------

LIABILITIES:

Current Liabilities:

Accounts Payable	9,008
Unearned Revenue - Prepaid Sales	4,986
Unearned Revenue - Supply Chain Assistance	28,887
Unearned Revenue - Donated Commodities	1,426
	<hr/>

Total Liabilities	<hr/> 44,307
-------------------	--------------

NET POSITION:

Investment in Capital Assets	29,623
Unrestricted	20,424
	<hr/>

Total Net Position	<hr/> <hr/> \$ 50,047
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BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 92,574
Daily Sales - Non-Reimbursable Programs	36,001
	<hr/>
Total Operating Revenue	128,575
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	133,801
Cost of Sales - Non-Reimbursable Programs	52,034
Salaries, Benefits and Payroll Taxes	54,454
Management Fee	13,260
Miscellaneous Expense	37,439
Depreciation Expense	3,323
	<hr/>
Total Operating Expenses	294,311
	<hr/>
Operating Loss	(165,736)
	<hr/>
Non-Operating Income:	
Local Sources:	
Interest Income	444
State Sources:	
State School Lunch Program	2,020
Federal Sources:	
National School Lunch Program	37,209
Supply Chain Assistance	7,299
Food Distribution Program	18,790
	<hr/>
Total Non-Operating Income	65,762
	<hr/>
Change in Net Assets Before Other Items	(99,974)
	<hr/>
Other Items:	
Cancellation of Accounts Receivable - Federal	(2,202)
Cancellation of Accounts Receivable - State	(128)
	<hr/>
Total Other Items	(2,330)
	<hr/>
Change in Net Position After Other Items	(99,974)
	<hr/>
Net Position - Beginning of Year	152,351
	<hr/>
Net Position - End of Year	\$ 50,047
	<hr/> <hr/>

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows (Used for) Operating Activities:	
Receipts from Customers	\$ 128,575
Payments to Food Service Contractor	(278,822)
	(150,247)
Net Cash (Used for) Operating Activities	
	(150,247)
Cash Flows Provided by Financing Activities:	
Interest Income	444
	444
Net Cash Provided by Financing Activities	
	444
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(13,589)
	(13,589)
Net Cash (Used for) Capital and Related Financing Activities:	
	(13,589)
Cash Flows Provided by Noncapital Financing Activities:	
State Sources	2,237
Federal Sources	86,630
	88,867
Net Cash Provided by Noncapital Financing Activities	
	88,867
Net Decrease in Cash and Cash Equivalents	
	(74,525)
Cash and Cash Equivalents, July 1	
	131,949
Cash and Cash Equivalents, June 30	
	\$ 57,424
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (165,736)
Adjustment to Reconcile Operating Loss to Cash (Used for) Operating Activities:	
Depreciation	3,323
Food Distribution Program	18,790
Changes in Assets and Liabilities:	
Decrease in Inventory	74
(Decrease) in Unearned Revenue - Prepaid Sales	(3,630)
(Decrease) in Unearned Revenue - Donated Commodities	(96)
(Decrease) in Accounts Payable	(2,972)
	(150,247)
Net Cash (Used for) Operating Activities	
	\$ (150,247)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities Through the Food Distribution Program Valued at \$18,694 and Utilized Commodities Valued at \$18,790.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 7,026,890	\$ 7,360,421	\$ 7,876,650	\$ 8,367,236	\$ 8,482,862	\$ 8,074,945	\$ 7,657,988	\$ 7,443,683	\$ 9,257,763	\$ 9,235,397
Restricted	1,352,059	1,117,040	701,060	1,267,640	2,122,632	3,321,701	5,154,277	7,095,946	5,971,046	8,086,762
Unrestricted/(Deficit)	(2,141,084)	(2,656,852)	(2,443,871)	(2,942,908)	(2,899,668)	(2,842,948)	(2,595,059)	(2,187,954)	(1,500,390)	(964,897)
Total Governmental Activities Net Position	\$ 6,237,865	\$ 5,820,609	\$ 6,133,839	\$ 6,691,968	\$ 7,705,826	\$ 8,553,698	\$ 10,217,206	\$ 12,351,675	\$ 13,728,419	\$ 16,357,262
Business-type Activities										
Investment in Capital Assets	\$ 36,824	\$ 30,926	\$ 25,028	\$ 19,130	\$ 30,556	\$ 27,011	\$ 23,688	\$ 22,680	\$ 19,357	\$ 29,623
Unrestricted/(Deficit)	9,492	12,763	8,543	(3,166)	337	10,801	31,947	53,328	132,994	20,424
Total Business-type Activities Net Position	\$ 46,316	\$ 43,689	\$ 33,571	\$ 15,964	\$ 30,893	\$ 37,812	\$ 55,635	\$ 76,008	\$ 152,351	\$ 50,047
District-wide										
Net Investment in Capital Assets	\$ 7,063,714	\$ 7,391,347	\$ 7,901,678	\$ 8,386,366	\$ 8,513,418	\$ 8,101,956	\$ 7,681,676	\$ 7,466,363	\$ 9,277,120	\$ 9,265,020
Restricted	1,352,059	1,117,040	701,060	1,267,640	2,122,632	3,321,701	5,154,277	7,095,946	5,971,046	8,086,762
Unrestricted/(Deficit)	(2,131,592)	(2,644,089)	(2,435,328)	(2,946,074)	(2,899,331)	(2,832,147)	(2,563,112)	(2,134,626)	(1,367,396)	(944,473)
Total District Net Position	\$ 6,284,181	\$ 5,864,298	\$ 6,167,410	\$ 6,707,932	\$ 7,736,719	\$ 8,591,510	\$ 10,272,841	\$ 12,427,683	\$ 13,880,770	\$ 16,407,309

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,739,769	\$ 5,769,403	\$ 6,268,505	\$ 6,938,204	\$ 8,046,739	\$ 7,049,395	\$ 6,455,107	\$ 6,890,964	\$ 7,010,943	\$ 6,855,911
Special Education	1,990,717	2,682,078	1,980,522	2,056,929	2,105,825	2,085,143	2,278,489	2,201,787	2,392,345	2,371,713
Other Special Education	88,036	89,127	212,069	213,734	174,219	199,918	189,531	167,310	189,564	156,934
School Sponsored/Other Instruction	100,070	142,969	172,004	146,095	125,968	124,266	132,025	24,654	93,315	147,413
Support Services:										
Tuition	4,932,687	5,561,525	5,622,209	5,682,761	5,506,099	5,244,858	4,722,056	5,113,507	5,343,969	5,440,692
Student & Instruction Related Services	1,503,870	1,865,603	1,881,058	2,210,611	2,011,435	1,897,553	2,123,522	1,979,846	1,978,048	2,118,444
General Administrative Services	411,356	366,502	399,116	449,799	461,918	462,707	439,458	426,223	429,808	399,598
School Administrative Services	287,991	302,411	271,320	298,195	329,399	342,091	300,876	432,054	432,395	419,224
Central Services	347,143	364,946	382,802	366,197	347,305	351,946	353,820	324,815	267,748	317,071
Plant Operations and Maintenance	1,010,222	1,089,375	886,362	874,006	999,355	1,063,788	1,026,063	1,021,372	1,138,060	992,539
Pupil Transportation	965,893	1,050,757	1,192,445	1,045,359	1,041,919	1,067,846	1,070,948	831,077	1,274,187	1,358,001
Transfer of Funds to Charter School	39,914	114,887	112,663	30,554						
Interest on Long-term Debt	157,000	123,350	89,667	57,066	23,200					
Capital Outlay						8,589			27,639	296,298
Unallocated	399,461	399,461	399,460	399,460	399,460	384,040	382,957	368,993	368,993	368,993
Total Governmental Activities Expenses	16,974,129	19,922,394	19,870,202	20,768,970	21,572,841	20,282,140	19,474,852	19,782,602	20,947,014	21,242,831
Business-type Activities:										
Food Service	246,322	209,505	209,171	200,930	185,916	159,488	114,446	132,611	179,961	294,311
Total Business-type Activities Expense	246,322	209,505	209,171	200,930	185,916	159,488	114,446	132,611	179,961	294,311
Total District Expenses	17,220,451	20,131,899	20,079,373	20,969,900	21,758,757	20,441,628	19,589,298	19,915,213	21,126,975	21,537,142
Program Revenues										
Governmental Activities:										
Charges for Services										
Instruction (Tuition)						12,000	13,480	33,347	39,950	43,426
Student & Instruction Related Services									37,544	50,823
Operating Grants and Contributions	2,007,954	3,304,230	3,632,468	4,470,366	5,574,996	4,344,582	3,894,570	4,362,035	4,353,841	5,089,140
Total Governmental Activities Program Revenues	2,007,954	3,304,230	3,632,468	4,470,366	5,574,996	4,356,582	3,908,050	4,395,382	4,431,335	5,183,389
Business-type Activities:										
Charges for Services										
Food Service	168,730	165,504	162,390	149,571	143,287	126,515	102,166	7,810	39,609	128,575
Operating Grants and Contributions	42,137	41,364	36,653	33,742	40,228	39,886	30,094	142,855	216,687	65,318
Total Business-type Activities Program Revenues	210,867	206,868	199,043	183,313	183,515	166,401	132,260	150,665	256,296	193,893
Total District Program Revenues	2,218,821	3,511,098	3,831,511	4,653,679	5,758,511	4,522,983	4,040,310	4,546,047	4,687,631	5,377,282
Net (Expense)/Revenue										
Governmental Activities	(14,966,175)	(16,618,164)	(16,237,734)	(16,298,604)	(15,997,845)	(15,925,558)	(15,566,802)	(15,387,220)	(16,515,679)	(16,059,442)
Business-type Activities	(35,455)	(2,637)	(10,128)	(17,617)	(2,401)	6,913	17,814	18,054	76,335	(100,418)
Total District-wide Net Expense	(15,001,630)	(16,620,801)	(16,247,862)	(16,316,221)	(16,000,246)	(15,918,645)	(15,548,988)	(15,369,166)	(16,439,344)	(16,159,860)

BEDMINSTER TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

(accrual basis of accounting)
(Continued)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,557,784	\$ 15,099,326	\$ 15,389,072	\$ 15,782,576	\$ 16,343,208	\$ 16,682,800	\$ 17,015,079	\$ 17,355,380	\$ 17,702,488	\$ 18,056,538
Taxes Levied for Debt Service	902,750	903,825	905,400	903,200	900,800					
Federal and State Aid not restricted								66,176	93,875	70,537
Tuition	113,148	94,344	39,336	19,500	36,975					
Miscellaneous Income	147,148	238,709	217,156	151,457	65,148	90,630	103,231	60,594	96,060	561,210
Transfers								(2,315)		
Cancellation of Prior Year Accounts Payable		(135,296)						41,854		
Cancellation of Prior Year Accounts Receivable										
Total Governmental Activities	15,720,830	16,200,908	16,550,964	16,856,733	17,346,131	16,773,430	17,118,310	17,521,689	17,892,423	18,688,285
Business-type Activities:										
Transfers	9	10	10	10	6	6	9	2,315	8	444
Investment Earnings								4		(2,330)
Cancellation of Prior Year Accounts Receivable										
Total Business-type Activities	9	10	10	10	6	6	9	2,319	8	(1,886)
Total District-wide	15,720,839	16,200,918	16,550,974	16,856,743	17,346,137	16,773,436	17,118,319	17,524,008	17,892,431	18,686,399
Change in Net Position	754,655	(417,256)	313,230	558,129	1,348,286	847,872	1,551,508	2,134,469	1,376,744	2,628,843
Governmental Activities	(35,446)	(2,627)	(10,118)	(17,607)	(2,395)	6,919	17,823	20,373	76,343	(102,304)
Business-type Activities	\$ 719,209	\$ (419,883)	\$ 303,112	\$ 540,522	\$ 1,345,891	\$ 854,791	\$ 1,569,331	\$ 2,154,842	\$ 1,453,087	\$ 2,526,539
Total District										

Source: School District Financial Reports

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

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 1,352,059	\$ 1,113,040	\$ 697,060	\$ 1,263,640	\$ 2,122,632	\$ 3,321,701	\$ 5,105,491	\$ 7,042,590	\$ 5,927,883	\$ 8,046,380
Assigned	214,343	6,076	132,940	42,102	69,484	75,087	268,964	110,064	225,128	631,516
Unassigned	317,940	145,786	280,232	269,191	342,145	350,612	349,443	804,121	960,803	657,538
Total General Fund	\$ 1,884,342	\$ 1,264,902	\$ 1,110,232	\$ 1,574,933	\$ 2,534,261	\$ 3,747,400	\$ 5,723,898	\$ 7,956,775	\$ 7,113,814	\$ 9,335,434
All Other Governmental Funds										
Restricted, Reported in:										
Special Revenue Fund		\$ 4,000	\$ 4,000	\$ 4,000			\$ 48,786	\$ 53,356	\$ 43,163	\$ 40,382
Debt Service Fund		\$ 4,000	\$ 4,000	\$ 4,000	\$ -0-	\$ -0-	\$ 48,786	\$ 53,356	\$ 43,163	\$ 40,382
Total All Other Governmental Funds	\$ -0-	\$ 4,000	\$ 4,000	\$ 4,000	\$ -0-	\$ -0-	\$ 48,786	\$ 53,356	\$ 43,163	\$ 40,382
Total Governmental Funds	\$ 1,884,342	\$ 1,268,902	\$ 1,114,232	\$ 1,578,933	\$ 2,534,261	\$ 3,747,400	\$ 5,772,684	\$ 8,010,131	\$ 7,156,977	\$ 9,375,816

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 15,460,534	\$ 16,003,151	\$ 16,294,472	\$ 16,685,776	\$ 17,244,008	\$ 16,682,800	\$ 17,015,079	\$ 17,355,380	\$ 17,702,488	\$ 18,056,538
Tuition Charges	113,148	94,344	39,336	19,500	36,975	12,000	13,480	24,177	39,950	43,426
Interest Earnings	1,173	1,128	957	115	30	30	2,254	1,171	1,324	25,879
Miscellaneous	145,974	237,581	216,199	151,342	65,118	90,600	100,977	68,593	132,280	586,154
State Sources	1,787,550	1,875,661	1,923,773	2,207,239	2,411,451	2,691,881	2,875,017	3,442,438	3,956,510	4,294,673
Federal Sources	220,404	255,989	235,840	260,110	266,931	330,012	281,142	352,010	587,648	759,389
Total Revenue	17,728,783	18,467,854	18,710,577	19,324,082	20,024,513	19,807,323	20,287,949	21,243,769	22,420,200	23,766,059
Expenditures										
Instruction										
Regular Instruction	3,378,617	3,610,939	3,477,279	3,550,580	3,780,796	3,775,511	3,654,064	3,826,107	4,174,506	3,980,885
Special Education Instruction	1,457,311	1,728,620	1,201,181	1,138,509	1,086,501	1,229,124	1,333,481	1,224,444	1,391,097	1,323,363
Other Special Instruction	61,317	57,491	116,327	107,169	98,497	108,594	105,508	93,306	103,179	82,211
School Sponsored/Other Instruction	84,177	135,092	135,577	105,305	99,063	98,395	106,150	19,586	85,703	132,253
Support Services:										
Tuition	4,932,687	5,561,525	5,622,209	5,682,761	5,506,099	5,244,858	4,722,056	5,113,507	5,343,969	5,440,692
Student & Other Instruction Related Services	1,180,265	1,435,512	1,437,073	1,560,465	1,472,075	1,492,294	1,687,617	1,547,653	1,752,459	1,813,266
General Administration Services	319,113	254,819	253,228	270,865	266,637	290,686	283,734	270,587	278,047	250,511
School Administrative Services	199,815	190,258	147,789	148,287	150,345	173,296	159,455	226,976	248,312	236,829
Central Services	257,992	265,914	284,434	248,073	259,009	269,906	270,542	224,195	200,281	165,721
Plant Operations and Maintenance	922,242	989,678	789,936	713,318	883,713	958,800	917,179	929,670	1,097,901	954,498
Student Transportation	950,546	1,041,389	1,171,935	1,038,953	1,035,926	1,061,351	1,064,202	823,152	1,266,174	1,349,717
Unallocated Benefits	2,577,871	2,650,509	3,055,978	3,262,748	3,525,724	3,864,790	4,047,709	4,568,260	5,080,787	5,134,122
Charter School	39,914	114,887	112,663	30,554						
Capital Outlay	16,776	11,540	154,238	98,594		26,579	22,968	178,418	2,250,939	683,152
Debt Service:										
Principal	735,000	765,000	805,000	835,000	870,000					
Interest and Other Charges	167,750	134,825	100,400	68,200	34,800					
Total Expenditures	17,281,393	18,947,998	18,865,247	18,859,381	19,069,185	18,594,184	18,374,665	19,045,861	23,273,354	21,547,220
Excess/(Deficit) of Revenues Over/(Under) Expenditures	447,390	(480,144)	(154,670)	464,701	955,328	1,213,139	1,913,284	2,197,908	(853,154)	2,218,839
Other Financing Sources/(Uses)										
Cancellation of Prior Years' Accounts Receivable		(135,296)								
Cancellation of Prior Years' Accounts Payable								41,854		
Transfers out								(2,315)		
Total Other Financing Sources/(Uses)								39,539		
Net Change in Fund Balances	\$ 447,390	\$ (615,440)	\$ (154,670)	\$ 464,701	\$ 955,328	\$ 1,213,139	\$ 1,913,284	\$ 2,237,447	\$ (853,154)	\$ 2,218,839
Debt Service as a Percentage of Noncapital Expenditures	5.23%	4.75%	4.84%	4.81%	4.74%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund of Prior</u> <u>Year Accounts</u> <u>Payable</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 1,173		\$ 113,148	\$ 140,689	\$ 255,010
2015	1,128		39,336	223,217	263,681
2016	957		39,336	216,199	256,492
2017	115		19,500	143,164	162,779
2018	30		36,975	65,118	102,123
2019	1,876		12,000	80,275	94,151
2020	2,254		13,480	95,477	111,211
2021	1,171		24,177	59,423	84,771
2022	1,324		39,950	94,736	136,010
2023	25,879	\$ 342,166	43,426	173,208	584,679

Source: School District Financial Reports

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

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2013	\$ 9,415,400	\$ 1,366,659,184	\$ 402,026,469	\$ 496,501,900	\$ 850,000	\$ 2,275,452,953	\$ 6,571,365	\$ 2,282,024,318	\$ 0.678	\$ 2,516,013,581
2014	9,335,900	1,416,276,000	415,589,991	497,337,300	850,000	2,339,389,191	5,608,436	2,344,997,627	0.682	2,437,746,347
2015	9,417,300	1,452,905,000	424,088,450	494,760,000	850,000	2,382,020,750	5,711,509	2,387,732,259	0.683	2,387,732,259
2016	9,168,000	1,507,478,608	426,653,860	485,381,300	850,000	2,429,531,768	5,783,750	2,435,315,518	0.685	2,466,553,944
2017	9,156,600	1,526,798,000	432,319,180	482,187,500	855,000	2,451,316,280	5,644,089	2,456,960,369	0.702	2,489,910,660
2018	9,201,800	1,538,262,900	412,299,470	485,835,900	855,000	2,446,455,070	5,760,405	2,452,215,475	0.680	2,506,258,990
2019	8,488,300	1,559,650,100	405,594,020	468,322,700	855,000	2,442,910,120	5,688,658	2,448,598,778	0.695	2,497,781,356
2020	8,256,400	1,560,416,200	400,565,120	475,553,900	855,000	2,445,646,620	5,982,746	2,451,629,366	0.708	2,465,836,085
2021	8,176,500	1,575,683,600	399,738,020	470,214,100	880,000	2,454,692,220	6,253,085	2,460,945,305	0.719	2,489,564,480
2022	8,389,200	1,626,633,800	412,040,100	469,956,800	880,000	2,517,899,900	6,113,100	2,524,013,000	0.715	2,524,805,889

Source: Municipal Tax Assessor

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

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

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

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

Year Ended December 31,	School District of the Township of Bedminster Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Bedminster	County of Somerset	
2013	\$ 0.643	\$ 0.035	\$ 0.678	\$ 0.246	\$ 0.323	\$ 1.25
2014	0.643	0.039	0.682	0.324	0.361	1.37
2015	0.645	0.038	0.683	0.320	0.356	1.36
2016	0.648	0.037	0.685	0.319	0.354	1.36
2017	0.664	0.038	0.702	0.320	0.356	1.38
2018	0.680	-0-	0.680	0.321	0.355	1.36
2019	0.695	-0-	0.695	0.323	0.356	1.37
2020	0.708	-0-	0.708	0.325	0.356	1.39
2021	0.719	-0-	0.719	0.324	0.352	1.40
2022	0.715	-0-	0.715	0.319	0.339	1.37

Note:

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

	2023		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

NOT AVAILABLE

	2014		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Metropolitan Tower Insurance Company	\$ 155,000,000		6.05%
Lamington Farm Club	33,373,500		1.30%
Jaygrace Co. LLC	32,047,400		0.99%
BIT Holdings	26,182,000		0.96%
MIRF Bedminster	25,350,000		1.02%
Hamilton Farm Golf Club	24,524,700		1.25%
S/K Bedminster One LLC	20,100,000		0.78%
EM Associates	19,911,000		0.73%
Crossroads Business Center	18,731,000		0.78%
Lamington River Farms	11,748,000		0.46%
 Total	 <u>\$ 366,967,600</u>		 <u>14.32%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 15,460,534	\$ 15,459,859	100.00%	\$ -0-
2015	16,003,151	16,003,151	100.00%	-0-
2016	16,294,472	16,294,472	100.00%	-0-
2017	16,685,776	16,685,776	100.00%	-0-
2018	17,244,008	17,244,008	100.00%	-0-
2019	16,682,800	16,682,800	100.00%	-0-
2020	17,015,079	17,015,079	100.00%	-0-
2021	17,355,380	17,355,380	100.00%	-0-
2022	17,702,488	17,702,488	100.00%	-0-
2023	18,056,538	18,056,538	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Bond Anticipation Notes (BANs)	Finance Purchases/Leases	Finance Purchases/Leases	Finance Purchases/Leases			
2014	\$ 3,275,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	3,275,000	0.48%	\$ 401.64
2015	2,510,000	-0-	-0-	-0-	-0-	2,510,000	0.37%	307.82
2016	1,705,000	-0-	-0-	-0-	-0-	1,705,000	0.23%	210.49
2017	870,000	-0-	-0-	-0-	-0-	870,000	0.11%	107.77
2018	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	0.00%	-0-

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 3,275,000	\$ -0-	\$ 3,275,000	0.14%	\$ 401.64
2015	2,510,000	-0-	2,510,000	0.11%	309.23
2016	1,705,000	-0-	1,705,000	0.07%	210.49
2017	870,000	-0-	870,000	0.04%	107.77
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-
2022	-0-	-0-	-0-	0.00%	-0-
2023	-0-	-0-	-0-	0.00%	-0-

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

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

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

Source: School District Financial Reports

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Bedminster	\$ 3,092,087	100.00%	\$ 3,092,087
County of Somerset - Township's Share: General Obligation Debt	265,237,860	3.90%	<u>10,340,690</u>
Total Direct and Overlapping Debt			<u><u>\$ 13,432,776</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

		Equalized valuation basis
	2020	\$ 2,491,743,882
	2021	2,504,021,442
	2022	<u>2,619,810,530</u>
		<u>\$ 7,615,575,854</u>
Average Equalized Valuation of Taxable Property		<u>\$ 2,538,525,285</u>
Debt Limit (3% of average equalization value)		\$ 76,155,759 ^a
Net Bonded School Debt		<u>-0-</u>
Legal Debt Margin		<u>\$ 76,155,759</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 76,005,710	\$ 76,005,710	\$ 74,571,861	\$ 74,531,196	\$ 75,274,246
Total Net Debt Applicable to Limit	<u>3,275,000</u>	<u>3,275,000</u>	<u>1,705,000</u>	<u>870,000</u>	<u>-0-</u>
Legal Debt Margin	<u>\$ 72,730,710</u>	<u>\$ 72,730,710</u>	<u>\$ 72,866,861</u>	<u>\$ 73,661,196</u>	<u>\$ 75,274,246</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	4.31%	4.31%	2.29%	1.17%	0.00%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 75,711,649	\$ 75,303,458	\$ 74,842,325	\$ 74,596,182	\$ 76,155,759
Total Net Debt Applicable to Limit	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Legal Debt Margin	<u>\$ 75,711,649</u>	<u>\$ 75,303,458</u>	<u>\$ 74,842,325</u>	<u>\$ 74,596,182</u>	<u>\$ 76,155,759</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Year	Population ^a	Town of Bedminster Personal Income ^b	Somerset County Per Capita Personal Income ^c	Unemployment Rate ^d
2014	8,154	\$ 679,929,444	\$ 83,386	4.40%
2015	8,117	717,534,683	88,399	3.70%
2016	8,100	748,051,200	92,352	3.60%
2017	8,073	800,922,330	99,210	3.40%
2018	8,053	842,504,860	104,620	2.80%
2019	7,995	883,175,670	110,466	2.40%
2020	7,949	896,845,925	112,825	6.70%
2021	8,162	930,263,950	113,975	4.40%
2022	8,272	942,801,200 ***	113,975 *	3.10%
2023	8,272 **	942,801,200 ***	113,975 *	N/A

* - Latest Somerset County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest Somerset County personal income available (2021) was used for calculation purposes.

N/A - Not Available

Source:

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

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

^c Per capita personal income by municipality estimated based upon the 2020 Census published by the US Bureau of Economic Analysis.

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

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

	2022		
Employer	Employees	Rank	Percentage of Total Employment
NOT AVAILABLE			

	2013		
Employer	Employees	Rank	Percentage of Total Employment
NOT AVAILABLE			

Source: Somerset County Business Partnership Website

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

<u>Function/Program</u>	<u>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>2023</u>
Instruction										
Regular	46.0	46.0	40.6	39.6	42.5	42.5	44.6	43.6	44.6	43.4
Special Education	15.0	15.0	12.9	12.9	13.5	13.5	11.0	11.0	9.7	13.4
Other Instruction	12.0	12.0	7.5	6.8	7.0	7.0	7.0	7.0	6.0	6.2
Support Services:										
Student & Instruction Related Services	12.7	12.7	12.8	12.8	12.8	12.8	12.8	12.8	12.8	11.5
School Administrative Services	3.2	3.2	2.9	2.5	3.0	3.0	3.0	3.0	3.0	2.9
General and Business Administrative Services	2.1	2.1	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0
Central Services	2.7	2.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Administration Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.2
Plant Operations and Maintenance	7.0	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0
Pupil Transportation	0.8	0.8	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	103.5	103.5	91.5	89.1	93.8	94.8	94.4	93.4	92.2	93.6

Source: School District of the Township of Bedminster Personnel Records

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2014	577	\$ 16,361,867	\$ 28,357	2.78%	61	9:1		577	549	-1.54%	95.15%
2015	543	18,036,633	33,217	17.14%	57	10:1		543	506	-5.89%	93.19%
2016	527	17,805,609	33,787	1.72%	56	9:1		527	506	-2.95%	96.02%
2017	532	17,857,587	33,567	-0.65%	55	10:1		532	512	0.95%	96.24%
2018	525	18,164,385	34,599	2.40%	56	9:1		524	503	-1.50%	95.99%
2019	516	18,567,605	35,984	7.20%	56	9:1		512	491	-2.29%	95.90%
2020	526	18,351,697	34,889	0.84%	56	9:1		513	490	0.20%	95.52%
2021	496	21,022,415	42,384	17.79%	56	9:1		486	474	-5.26%	97.53%
2022	490	19,098,848	38,977	11.72%	60	8:1		486	453	0.00%	93.21%
2023	451	20,864,068	46,262	9.15%	57	8:1		436	409	-10.29%	93.81%

Source: District Records

Note: Enrollment based on annual October district count.

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Square Feet	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000
Capacity (students)	750	750	750	750	750	750	750	750	750	750
Enrollment	577	543	527	532	525	516	526	496	490	451

Number of Schools at June 30, 2023
 Elementary = 1
 (Includes Central Office)

Source: District Facilities Office

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Bedminster</u> <u>Elementary School*</u>	<u>Total</u> <u>School Facilities</u>
2014	\$ 266,405	\$ 266,405
2015	399,616	399,616
2016	201,892	201,892
2017	175,441	175,441
2018	223,226	223,226
2019	278,157	278,157
2020	345,182	345,182
2021	307,589	307,589
2022	388,477	388,477
2023	363,196	363,196

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

Source: District Records

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Educational Risk Insurance Consortium - North		
(N.J. Schools Insurance Group):		
Package Property & Liability Building & Contents	\$ 35,571,800	\$ 5,000
Computers - Hardware and Software	Included	1,000
Computers - Extra Expense	Included	
Extra Expense	50,000,000	5,000
Boiler and Machinery Property Damage	35,571,800	5,000
General Liability:		
Personal and Advertising Injury Limit	11,000,000	
Each Occurrence Limit	11,000,000	
Employee Benefit Liability:		
Each Claim	11,000,000	1,000
Aggregate	11,000,000	
E&O	11,000,000	5,000
Public Employee Blanket Bond	250,000	1,000
Cyber & Privacy Liability - Per Member Aggregate	2,000,000	Various
Official Bonds - Selective Insurance Company:		
Alicia M. Schauer - Treasurer of School Monies	200,000	
Eulalia Gillis - Interim School Business Administrator	200,000	
Robbin Boehmer - School Business Administrator	250,000	

Source: District's Records

SINGLE AUDIT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Bedminster School District (the "District"), in the County of Somerset, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

October 31, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Bedminster Township School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

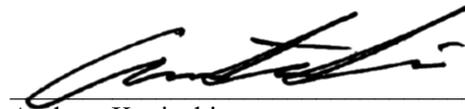
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

October 31, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Cancellation	Balance at June 30, 2023		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
Enterprise Fund:												
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
COVID 19 - Supply Chain Assistance	10.555	N/A	7/1/22-6/30/23	\$ 36,186	\$ (7,299)		\$ 28,887					
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	190,862		15,850						
U.S.D.A. Commodities Program	10.555	N/A	7/1/22-6/30/23	18,694	(17,268)		1,426					
U.S.D.A. Commodities Program	10.555	N/A	7/1/21-6/30/22	15,063	(1,522)							
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	37,209	(37,209)							
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	28,448								
Total Child Nutrition Cluster						\$ 2,202						
						(18,052)						
Total U.S. Department of Agriculture/Enterprise Fund						(18,052)						
Special Revenue Fund:												
U.S. Department of Treasury:												
COVID 19 - Additional or Compensatory Special Education and Related Services (ACSERS)												
COVID 19 - Digital Divide Discretionary Grant	21.027	SILFRDOEISES	7/1/22-6/30/23	115,670	(115,670)							
	21.019	N/A	7/16/20-10/31/20	5,047								
Total U.S. Department of Treasury						(3,921)						
						(3,921)						
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Education Cluster:												
ID.E.A. Part B, Basic	84.027A	IDEA024022	7/1/22-9/30/23	168,378	(168,378)							
ID.E.A. Part B, Preschool	84.173A	IDEA024022	7/1/22-9/30/23	7,319	(7,319)							
ID.E.A. Part B, Preschool	84.173A	IDEA024022	7/1/21-9/30/22	6,713		783						
Total Special Education Cluster						(783)						
						(783)						
Education Stabilization Fund:												
COVID-19 - CRRSA - ESSER II												
COVID-19 - CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	187,318	(39,827)							
COVID-19 - CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(39)	39						
COVID-19 - CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(7,968)	7,968						
COVID-19 - ARP - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	420,985	(212,622)	137,357						
COVID-19 - ARP - Accelerated Learning Coaching and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	60,613	(17,304)	21,589						
COVID-19 - ARP - Evidence-Based Comprehensive Beyond the School Day Activities	84.425U	S425U210027	3/13/20-9/30/24	40,000	(195)							
COVID-19 - ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(3,150)	18,841						
Total Educational Stabilization Fund						(71,645)						
						(71,645)						

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Cancellation	Balance at June 30, 2023		Amounts Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:												
Elementary and Secondary Education Act:												
Title I	84.010A	ESEA024023	7/1/22-9/30/23	\$ 61,298			\$ 61,298	\$ (61,298)				
Title I	84.010A	ESEA024022	7/1/21-9/30/22	46,463	\$ (6,603)		6,603					
Title IIA	84.367A	ESEA024023	7/1/22-9/30/23	26,952			3,000	(3,000)				
Title IIA	84.367A	ESEA024022	7/1/21-9/30/22	14,608	(999)		999					
Title IV	84.424	ESEA024023	7/1/22-9/30/23	10,000			10,000	(10,000)				
Title IV	84.424	ESEA024022	7/1/21-9/30/22	10,000	(3,486)		3,486					
Total Elementary and Secondary Education Act					(11,088)		85,386	(74,298)				
Rural Education Achievement Program	84.358	N/A	7/1/22-9/30/23	40,154			40,154	(40,154)				
Rural Education Achievement Program	84.358	N/A	7/1/21-9/30/22	37,395			37,395	(37,395)				
Total U.S. Department of Education					(83,516)		615,878	(608,649)	\$ (87,437)	\$ (76,287)		
Total Special Revenue Fund					(87,437)		731,548	(724,319)	(87,437)	(80,208)		
Total Federal Financial Awards					\$ (105,489)		\$ 836,872	\$ (787,617)	\$ (105,489)	\$ (82,823)	\$ 30,313	\$ -0-
N/A - Not Available/ Applicable												

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022			Balance at June 30, 2023			MEMO Cumulative Total Expenditures		
				Budgetary Accounts Receivable	Due to Grantor	Cash Received	Budgetary Expenditures	Cancellation	Paid to Grantor		GAAP Accounts Receivable	Due to Grantor
State Department of Education:												
General Fund State Aid:												
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	\$ 217,074	\$ (21,708)	\$ 21,708					\$ 217,074		
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	682,136	(68,213)	68,213					682,136		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	66,237	(6,624)	6,624					66,237		
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	240,272	(240,272)	240,272					240,272		
Reimbursement of Nonpublic School Transportation Costs	22-495-034-5120-014	7/1/21-6/30/22	20,140	(20,140)	20,140					20,140		
Reimbursed TPAF Social Security	22-495-034-5095-002	7/1/21-6/30/22	378,046	(18,111)	18,111					378,046		
Transportation Aid	23-495-034-5120-002	7/1/22-6/30/23	262,658		236,392	\$ (262,658)		\$ (26,266)		262,658		
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	741,294		667,165	(741,294)		(74,129)		741,294		
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	71,015		63,913	(71,015)		(7,102)		71,015		
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	386,556			(386,556)		(386,556)		386,556		
Reimbursement of Nonpublic School Transportation Costs	23-495-034-5120-014	7/1/22-6/30/23	20,662			(20,662)		(20,662)		20,662		
Reimbursed TPAF Social Security	23-495-034-5095-002	7/1/22-6/30/23	369,332		350,515	(369,332)		(18,817)		369,332		
TPAF Pension Contributions (non-budgeted)	23-495-034-5094-002	7/1/22-6/30/23	1,860,615		1,860,615	(1,860,615)				1,860,615		
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)	23-495-034-5094-001	7/1/22-6/30/23	495,560		495,560	(495,560)				495,560		
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/22-6/30/23	25,814		25,814	(25,814)				25,814		
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)	23-495-034-5094-004	7/1/22-6/30/23	649		649	(649)				649		
Total General Fund State Aid				(375,068)	4,075,691	(4,234,155)		(426,035)	(533,532)	5,838,622		
Total General Fund				(375,068)	4,075,691	(4,234,155)		(426,035)	(533,532)	5,838,622		
Special Revenue Fund:												
Nonpublic Handicapped Services:												
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	6,316							6,316		
Nonpublic Nursing	20-100-034-5120-070	7/1/19-6/30/20	12,998							10,810		
Climate Awareness Education Grant	23-100-034-5063-359	7/1/22-6/30/23	5,160						\$ 5,160	5,160		
Nonpublic Nursing	23-100-034-5120-070	7/1/22-6/30/23	16,576		5,160	(4,804)				4,803		
Nonpublic Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	9,768		9,768	(9,768)				9,768		
Nonpublic Security Aid	23-100-034-5120-509	7/1/22-6/30/23	30,340		30,340	(30,340)				30,340		
Nonpublic Handicapped Services:												
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	11,944		11,944	(11,184)			760	11,184		
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	4,929		4,929	(4,929)				4,929		
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	3,469		3,469	(3,469)				3,469		
Nonpublic Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	6,216		6,216	(6,216)				6,216		
Nonpublic Nursing	22-100-034-5120-070	7/1/21-6/30/22	15,680		9,355	(9,355)				6,325		
Nonpublic Handicapped Services:												
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	11,183		1,140	(1,140)				10,043		
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	3,304		826	(826)				2,478		
Nonpublic Auxiliary Services:												
Compensatory Education	22-100-034-5120-066	7/1/21-6/30/22	4,479		4,479	(4,479)						
Total Special Revenue Fund				21,500	88,402	(70,710)		(21,500)	17,692	148,427		

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Cancellation	Paid to Grantor	Balance at June 30, 2023		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Due to Grantor	
Food Service Fund:												
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	\$ 1,676	\$ (128)		\$ 365		\$ 128				\$ 1,676
COVID 19 - Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	4,480	(365)		1,872						4,480
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	2,020									2,020
Total Food Service Fund				(493)		2,237	(2,020)	128			(148)	8,176
Total State Awards				\$ (375,561)	\$ 21,500	\$ 4,166,330	\$ (4,306,885)	\$ 128	\$ (21,500)	\$ (426,183)	\$ (533,532)	\$ 5,995,225
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	\$ (1,860,615)				\$ 1,860,615					
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(495,560)				495,560					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(25,814)				25,814					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(649)				649					
Subtotal - On-Behalf TPAF Pension System Contributions							2,382,638					
Total State Awards Subject to Single Audit Determination							\$ (1,924,247)					

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Bedminster Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,952) for the general fund and \$35,830 for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds. Revenue from federal and state awards are reported in the Board’s basic financial statements on a GAAP basis as presented below:

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,223,203	\$ 4,223,203
Special Revenue Fund	\$ 759,389	71,470	830,859
Food Service Fund	63,298	2,020	65,318
Total Awards	<u>\$ 822,687</u>	<u>\$ 4,296,693</u>	<u>\$ 5,119,380</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023.

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in *the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

	<u>Assistance Listing / State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Education Stabilization Fund:				
COVID 19 - CRRSA:				
ESSER II	84.425D	3/13/20-9/30/23	\$ 187,318	\$ 39,827
Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	39
Mental Health	84.425D	3/13/20-9/30/23	45,000	7,968
COVID 19 - American Rescue Plan:				
ESSER III	84.425U	3/13/20-9/30/24	420,985	212,622
Accelerated Learning Coaching and Educator Support	84.425U	3/13/20-9/30/24	60,613	17,304
Evidence Based Comprehensive Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	195
NJTSS Mental Health Support Staffing	84.425U	3/13/20-9/30/24	45,000	3,150
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	7/1/22-9/30/23	168,378	168,378
I.D.E.A. Part B, Preschool	84.173A	7/1/22-9/30/23	7,319	7,319
<u>State:</u>				
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	741,294	741,294
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	71,015	71,015

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

Summary of Auditors' Results: (Cont'd)

- The threshold for distinguishing Type A and Type B federal and state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for federal programs.
- The District was not determined to be a "low-risk" auditee for state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BEDMINSTER TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year findings.