

**Annual Comprehensive  
Financial Report**

**of the**

**Township of Berkeley Heights Board of Education**

**County of Union**

**Berkeley Heights, New Jersey**

**For the Fiscal Year Ended June 30, 2023**

**Prepared by**

**Township of Berkeley Heights, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

# **BOARD OF EDUCATION**

**P.O. Box 147**

**Berkeley Heights, Union County**

**New Jersey 07922**

January 22 , 2024

Honorable President and  
Members of the Board of Education  
Berkeley Heights School District  
County of Union, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Berkeley Heights School 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 Berkeley Heights Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter OMB 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of the report.

## 1) REPORTING ENTITY AND ITS SERVICES:

The Berkeley Heights School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Berkeley Heights Board of Education and all its schools constitute the District's reporting entity.



1) REPORTING ENTITY AND ITS SERVICES (CONTINUED):

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services include regular as well as special education for qualifying students. The District completed the 2022-2023 fiscal year with an enrollment of 2,444 students, which is 28 students less than the previous year's enrollment. The average daily enrollment is a compilation of enrollment and attendance data for the entire year. The statistic is different than the enrollment figure for the end of the year which is the actual number of students enrolled. The following chart details the changes in the student average daily enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Change
2022-23	2,444	(.011%)
2021-22	2,472	(.008%)
2020-21	2,494	(2.54%)
2019-20	2,559	(0.51%)
2018-19	2,572	(1.91%)
2017-18	2,622	(2.89%)
2016-17	2,700	1.54%
2015-16	2,659	(0.26%)
2014-15	2,666	(1.11%)
2013-14	2,696	(1.06%)

2) ECONOMIC CONDITION AND OUTLOOK

The Township of Berkeley Heights is a mature suburban town situated approximately 30 miles west of New York City with easy access to major airports and highways. The Township is 6.2 sq. miles and has a population of approximately 13,000 residents. Berkeley Heights is a stable, affluent municipality.

Berkeley Heights is consistently nationally ranked as one of the best places to live. In NJ Magazine 2019, Berkeley Heights was ranked 23rd best place to live in New Jersey. In Money magazine's 2013 Best Places to Live rankings, Berkeley Heights was ranked 6th in the nation, the highest among the three places in New Jersey and was included in the top 50 list.

The landscape of the township is slated to change significantly over the next several years. The township recently finished construction on a new municipal complex and new residential and commercial projects have been approved and some new construction has already begun. Five residential complexes are being planned which will result in an influx of students into the district.

The COVID-19 pandemic has had a major impact on both the township and the school district. Despite Covid-19 concerns, the local housing market has remained strong. Berkeley Heights continues to be a desirable location because of its school system, the ease

of commuting into New York, as well as easy access to major highways, and the suburban feel of the town.

However, the district has faced many challenges due to COVID-19, including managing the cost and availability of: 1) student transportation, 2) substitute teachers, 3) student and teacher technology needs, 4) improvements to infrastructure, and 5) supplies and human resources to clean and disinfect the facilities.

In the past 19 months, the District has been faced with making critical decisions under strict time constraints in a wholly unknown, and fluid environment. The uncertainty and anxiety created by the Coronavirus pandemic has taken not only an economic but also an emotional toll in schools, among students, staff, parents, and community members. Many districts face the additional challenge of having more experienced teachers and administrators retiring from the profession. The long-term implications of these events and others that flow from them will not be known for some time.

Despite these new and evolving challenges, the Berkeley Heights Board of Education continues to be fiscally responsible when developing its budget. The Board is cognizant of the impact the school tax levy has upon tax payers and seeks to strike a balance between maintaining its high quality educational services in a safe and welcoming environment and its fiscal accountability to the community.

### 3) MAJOR INITIATIVES

In order to determine student's strengths and areas in need of growth, the District purchased LinkIt! as an assessment management and data analytics tool. The LinkIt! technology platform is a suite of integrated web applications that consists of three core elements:

- An assessment authoring platform & item banking tool;
- A benchmark assessment delivery platform including ELA and Mathematics components; and
- A Dashboard style reporting platform with over ten distinctive reporting modules.

LinkIt! was purchased in response to both the District's and teachers' need for a tool to easily manage and analyze data. It gives teachers and administrators access to valuable student data in a simple to use interface. LinkIt! allows teachers to easily identify a student's strengths and weaknesses, differentiate instruction, and provide tailored interventions.

The administrative team revamped K-5 education with the help of teaching staff. The District has updated all curricula for K-5 and moved more than 50 teachers to create two early learning centers and two elementary schools.

The District has updated its Five-Year Strategic Plan to include another "wheel" which is Diversity, Equity, and Inclusion. The District created a "Director of DEI" and has been working diligently to make sure that all students feel included, inspired, and empowered.

The District wants to continue the DEI initiative to focus on and integrate social and emotional learning for all students. Berkeley Heights Public Schools are committed to the development of the whole child and recognize the importance of equipping students with the skills necessary to understand and manage emotions; set and achieve positive goals; feel and show empathy for others; and make responsible decisions. The District Social & Emotional Learning Committee worked throughout the course of the 2019-2020 school year to create a district wide SEL framework that is specifically tailored to our district. Implementation of this program is a major priority for the current school year as students and staff return to school full-time.

The Berkeley Heights and Mountainside communities value education and the District continues to evaluate its educational program and make improvements to the educational experience. The curriculum has been revised to reflect new state standards and to keep pace with community expectations regarding student achievement. The STEAM curriculum continues to be expanded, and opportunities for students to participate in STEAM activities have increased both inside the classroom and as a part of co-curricular programming.

Advanced placement courses are offered in 25 subject areas and student enrollment in these programs continues to increase. The class of 2023 had 41 AP Scholars, 23 AP Scholars with Honors, and 67 AP Scholars with Distinction. Three students received the AP Capstone Diploma and 1 was awarded the AP Seminar and Research Certificate. The average SAT score was 601 for evidence-based reading and writing and 597 for mathematics. The super score for SAT was 612 for evidence-based reading and writing and a 609 for mathematics, totaling 1221. The class of 2023 had 18 National Merit commended students.

The district continues to upgrade its technology infrastructure, adding access points as necessary and replacing outdated servers to ensure the best learning environment for students and staff. Due to remote learning situations, additional personal devices were purchased, and all students have Chromebooks. District-wide teachers have been provided with laptops to support classroom instruction in a digital age.

#### 4) INTERNAL ACCOUNT CONTROLS

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with

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

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

#### 5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

Budget Analysis Reports are reviewed regularly to identify any anticipated deficits to any expense or revenue account. Transfers between accounts are approved at monthly meetings to ensure that accounts are not over-expended.

An Encumbrance account 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

#### 6) ACCOUNTING SYSTEMS AND REPORTS:

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

#### 7) DEBT ADMINISTRATION:

Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2023, the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to outstanding securities.

#### 8) CASH MANAGEMENT:

Bank balances are insured up to \$250,000 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Berkeley Heights Board of Education maintains an on line computerized accounting system to record all financial transactions. During the fiscal year, financial reports are

prepared monthly and are distributed to the Board of Education Members. The reports detail the monthly transaction and detail the appropriation balance.

9) RISK MANAGEMENT:

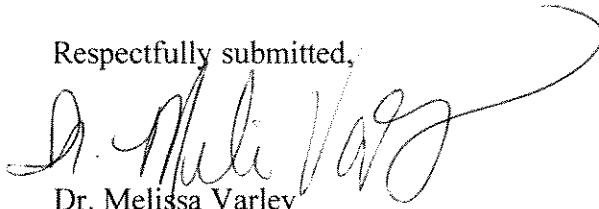
The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Recently coverage for cyber liability and pollution were added to our range of coverage.

10) OTHER INFORMATION:

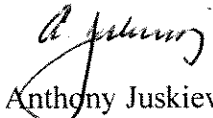
a) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Co., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter OMB 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Berkeley Heights School Board 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 could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

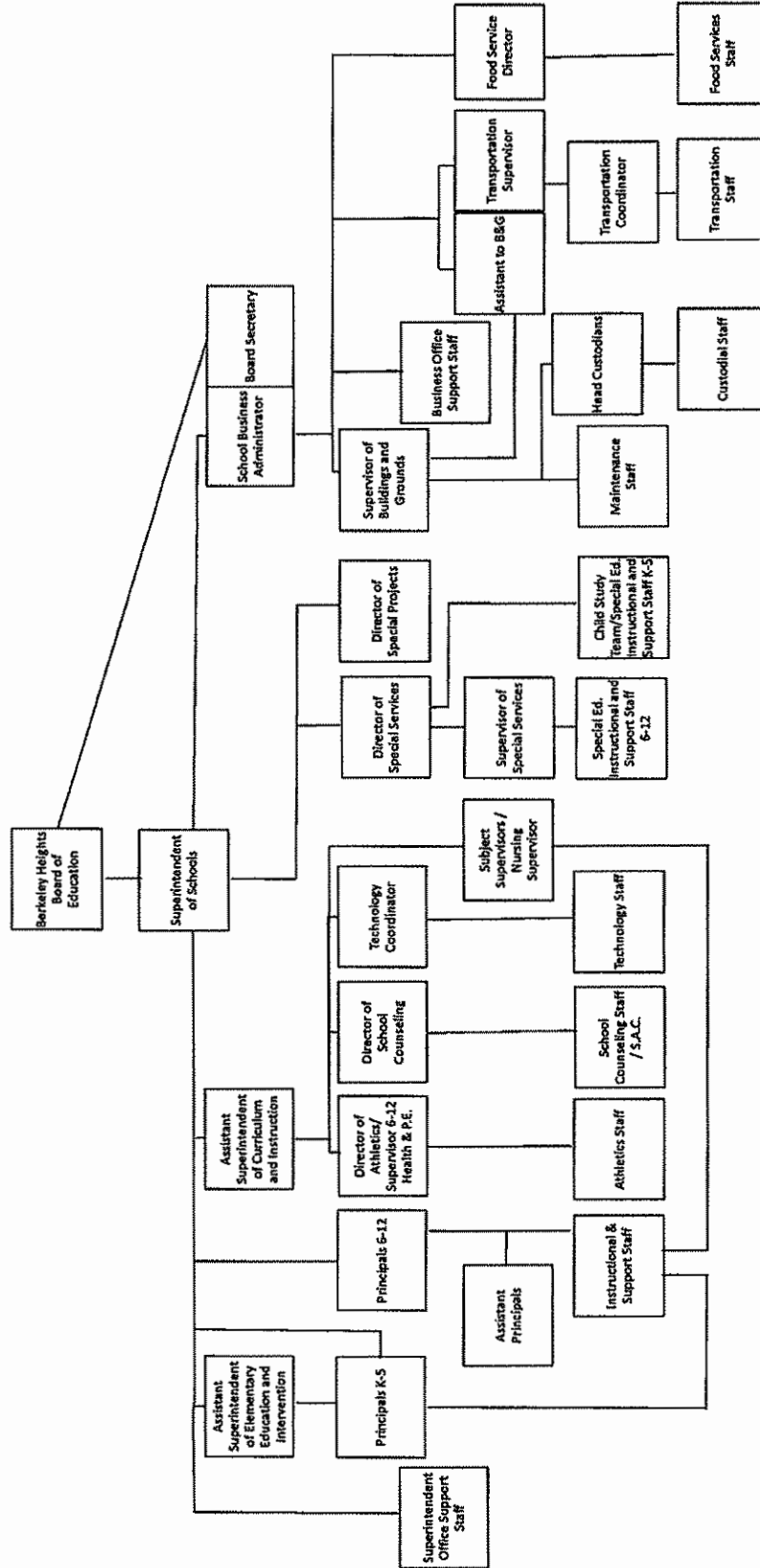


Dr. Melissa Varley  
Superintendent



Anthony Juskiewicz  
School Business Administrator/  
Board Secretary

# BERKELEY HEIGHTS PUBLIC SCHOOLS 2021-2022 TABLE OF ORGANIZATION



BOARD OF EDUCATION TOWNSHIP OF BERKELEY HEIGHTS

BERKELEY HEIGHTS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION

TERM ENDS

Angela Penna, President	2025
Joy Young, Vice President	2023
Gale Bradford	2025
Robert Cianciulli	2023
Thomas Foregger	2024
Dipti Khanna	2025
Pamela Stanley	2024
Jordan Hyman (Mountainside Representative)	2024

OTHER OFFICIALS

- Dr. Melissa Varley, Superintendent
- Julie A. Kot, Board Secretary/School Business Administrator
- Harold Kessler, Treasurer

BOARD OF EDUCATION  
TOWNSHIP OF BERKELEY HEIGHTS  
**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Solutions Architecture  
81 Clay Street  
Newark, New Jersey 07104

**AUDIT FIRM**

Suplee, Clooney and Company  
308 E. Broad Street  
Westfield, New Jersey 07090

**ATTORNEY**

Cleary Giacobbe Alfieri Jacobs, LLC.  
955 State Route 34  
Suite 200  
Matawan, NJ 07747

Porzio, Bromberg & Newman PC  
100 South Gate Parkway  
Morristown, New Jersey 07962

**SEPCIAL EDUCATION COUNSEL**

Chaudry Law.  
33 Wood Ave  
Woodbridge Township, NJ 08830

**OFFICIAL DEPOSITORY**

Citizens Bank  
441 Springfield Avenue  
Berkeley Heights, NJ 07922



BOARD OF EDUCATION

TOWNSHIP OF BERKELEY HEIGHTS

**CONSULTANTS AND ADVISORS (CONTINUED)**

**HEALTH INSURANCE BROKER**

Alliant Employee Benefits  
1301 Dove Street  
Suite 200  
Newport Beach, CA

**DENTAL INSURANCE BROKER**

Centric Benefits Consulting  
219 South Street  
Suite 103  
New Providence, NJ 07924

**PROPERTY AND CASUALTY INSURANCE BROKER**

Richland Knowles Agency  
803 Springfield Avenue  
2nd Floor  
Summit, NJ 07901

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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Berkeley Heights School District  
County of Union  
Berkeley Heights, New Jersey 07922

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Berkeley Heights School District, in the County of Union, State of New Jersey (the "District") as of and for the 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, 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 (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." 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 and provisions 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.

# SUPLEE, CLOONEY & COMPANY LLC

## ***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

## ***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 generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

## SUPLEE, CLOONEY & COMPANY LLC

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

# SUPLEE, CLOONEY & COMPANY LLC

## **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 January 22, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 22, 2024

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

## TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

The discussion and analysis of the Township of Berkeley Heights School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A. In fiscal year 2023 the District implemented GASB Statement No. 96-SBITAs.

#### **Financial Highlights**

Key financial highlights for 2023 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2022/2023 school year. The amount of the deferred state aid payments, which were received in July 2023, is \$253,935.00.
- General revenues accounted for \$47,226,292.96 or 69% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$21,672,217.43 or 31% of all revenues.
- The District had \$65,437,507.42 in expenses; \$21,672,217.43 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$47,226,292.96 were adequate to provide for these programs.

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

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

## TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of the district, the General Fund is by far the most significant fund.

#### **Reporting the District as a Whole**

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Government Activities** – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, student transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program is reported a business activity.

## **TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 UNAUDITED**

#### **Reporting the District's Most Significant Funds**

##### **Fund Financial Statements**

Fund Financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

##### **Governmental Funds**

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

##### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

##### **The School District as a Whole**

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

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

Table 1 provides a comparative summary of the District's net position for 2023 and 2022.

**Table 1  
Net Position**

	<u>2023</u>	(As restated) <u>2022</u>
Assets		
Current and Other Assets	\$15,575,178.43	\$13,652,221.48
Capital Assets	<u>57,771,294.50</u>	<u>58,769,082.66</u>
Total Assets	73,346,472.93	72,421,304.14
Deferred Outflows:		
Related to Pensions	<u>2,421,121.00</u>	<u>2,100,272.00</u>
Total Deferred Outflows	2,421,121.00	2,100,272.00
Liabilities		
Other Liabilities	3,902,234.02	3,773,966.55
Long-Term Liabilities	<u>18,352,303.85</u>	<u>16,894,254.84</u>
Total Liabilities	22,254,537.87	20,668,221.39
Deferred Inflows:		
Related to Leases	1,268,761.65	1,341,262.31
Related to Pensions	<u>1,996,448.00</u>	<u>5,725,249.00</u>
Total Deferred Inflows	3,265,209.65	7,066,511.31
Net Position		
Net Investment in Capital Assets	52,119,536.62	51,813,128.01
Non-Spendable	56,746.35	29,597.03
Restricted	7,373,992.69	5,725,742.66
Unrestricted(Deficit)	<u>(9,302,429.25)</u>	<u>(10,781,624.26)</u>
Total Net Position	<u>\$50,247,846.41</u>	<u>\$46,786,843.44</u>

The District's combined net position was \$50,247,846.41 on June 30, 2023. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

Table 2 shows changes in net position for fiscal years 2023 and 2022.

**Table 2  
Changes in Net Position**

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$8,050,156.47	\$7,058,090.10
Operating Grants and Contributions	13,303,637.78	15,505,556.10
Capital Grants and Contributions	318,423.18	0.00
General Revenues:		
Property Taxes	46,083,270.00	45,347,241.00
Grants and Entitlements	638,218.00	644,562.00
Other	<u>504,804.96</u>	<u>440,415.58</u>
Total Revenues	<u>68,898,510.39</u>	<u>68,995,864.78</u>
Program Expenses		
Instruction	39,108,231.96	38,940,266.15
Support Services:		
Student and Instruction Related	10,126,285.93	9,818,067.00
General Administration	1,683,938.11	1,780,263.62
School Administration	2,559,866.90	2,572,238.90
Central Services/ Adm. Of Technology	1,194,184.03	1,127,614.57
Maintenance of Facilities	5,781,402.21	6,272,372.54
Student Transportation	2,154,638.10	1,876,478.84
Business Type Activities	1,115,720.67	825,054.37
Other	<u>1,713,239.50</u>	<u>1,870,179.79</u>
Total Expenses	<u>65,437,507.41</u>	<u>65,082,535.78</u>
Increase/ (Decrease) in Net Position	<u>\$3,461,002.98</u>	<u>\$3,913,329.00</u>

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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**Government Activities**

Property taxes made up 68 percent of revenues for governmental activities in the District. There was a \$736,029.00 increase in property taxes or 1.62 percent from the prior year. The District's total revenues were \$68,898,510.39 for the year ended June 30, 2023.

Instruction comprises 61 percent of district expenses. Support services make up 36 percent of the district expenses and other services and expenses make up 3 percent.

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services and operating grants and contributions in the food service program. The Board of Education continues to work to increase sales in the program and reduce operating costs. The Board has opted out of the State sponsored Child Nutrition Program which limits the price of lunches and restricts types and sizes of offerings. The cafeterias located in each school building offer flexibility in food selection, menu offerings and pricing that meets the needs of the students. The following are some of our major business type activity results.

- Business type revenues exceeded expenses by \$17,068.48.
- Revenues consist of \$1,132,789.15 in operating revenue from charges for services.

The Statement of Activities shows the cost of program services and the charges offsetting those costs.

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3  
Net Cost of Services**

	<u>Total Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2023</u>	<u>Net Cost of Services 2022</u>
Instruction	\$39,108,231.96	43,664,303.50	\$22,549,403.66	23,023,680.22
Support Services:				
Students and Instruction Related	10,126,285.93	10,778,727.77	8,410,019.21	7,826,298.32
General Administration, School & Central Administration	5,437,989.04	6,367,801.84	4,724,685.78	4,904,249.12
Maintenance of Facilities	5,781,402.21	5,844,664.78	5,039,687.71	4,986,998.51
Student Transportation	2,154,638.10	1,683,245.70	1,345,322.60	1,118,579.82
Other	1,713,239.51	1,989,378.21	1,713,239.51	1,953,857.82
Business-Type Activities	<u>1,115,720.67</u>	<u>181,072.54</u>	<u>(17,068.48)</u>	<u>166,321.61</u>
Total Net Cost of Services	<u>\$65,437,507.42</u>	<u>\$70,509,194.34</u>	<u>\$43,765,289.99</u>	<u>\$43,979,985.42</u>

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities. Tuition paid to other schools for regular and special education students is also included here.

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

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

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

"Other" includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service program.



**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$73,044,446.24 and expenditures were \$71,300,174.52.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management, which required significant budget adjustments to contend with state aid reductions. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2023, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$53,527,469.66	73.28%	\$1,430,082.33	5.04%
State Sources	18,087,147.99	24.75%	2,072,823.84	8.18%
Federal Sources	<u>1,429,828.59</u>	<u>1.96%</u>	<u>535,462.07</u>	<u>36.21%</u>
Total	<u>\$73,044,446.24</u>	<u>100.00%</u>	<u>\$4,038,368.24</u>	<u>7.32%</u>

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$26,415,578.01	37.05%	\$382,325.30	1.43%
Support Services	42,354,062.46	59.40%	3,289,248.91	7.21%
Capital Outlay	747,034.05	1.05%	62,563.39	7.73%
Debt Service	<u>1,783,500.00</u>	<u>2.51%</u>	<u>(797,081.82)</u>	<u>-80.81%</u>
Total	<u>\$71,300,174.52</u>	<u>100.00%</u>	<u>\$2,937,055.78</u>	<u>5.46%</u>

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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**General Fund Budgeting Highlights**

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

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts. These revisions bear notation:

- TPAF, which is the State's contribution to the pension fund, post-retirement benefits and the employer's share of FICA costs, is neither a revenue or expenditure item in the budget; however, the School District is required to present this information in the revenue and expenditure sections of the report.

**Debt Administration**

At June 30, 2023, the District had \$18,352,303.85 of outstanding long-term liabilities. Of this amount, \$1,261,554.51 is for compensated absences; \$1,389,765.34 for installment purchases leases, \$11,215,984.00 of net pension liability and \$4,485,000.00 of serial bonds for school construction.

**Capital Assets**

At the end of the fiscal year 2023, the District had a net of \$57,771,294.50 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2023 balances compared to 2022.

**Table 4  
Capital Assets (Net of Depreciation)**

	<u>2023</u>	(As Restated) <u>2022</u>
Governmental Activities Capital Assets, Net: of Depreciation		
Land	\$14,043,000.00	\$14,043,000.00
Construction in Progress	\$722,085.55	\$255,938.75
Land Improvements	1,502,953.91	1,617,093.43
Building and Building Improvements	40,180,669.76	41,386,192.50
Machinery and Equipment	<u>1,188,047.52</u>	<u>1,330,320.45</u>
Total Governmental Activities Capital Assets, Net	<u>57,636,756.74</u>	<u>58,632,545.13</u>
Business Type Activities Capital Assets, Net:of Depreciation		
Machinery and Equipment	<u>134,537.76</u>	<u>136,537.53</u>
Total Business Type Activities Capital Assets, Net:	<u>134,537.76</u>	<u>136,537.53</u>
Total Capital Assets, Net	<u>\$57,771,294.50</u>	<u>\$58,769,082.66</u>

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

Overall net capital assets decreased by \$997,788.16 from fiscal year 2022 to fiscal year 2023.

**For the Future**

The Berkeley Heights School District has and continues to utilize sound accounting practices during a period of uncertainty in State funding coupled with high inflation. The state-imposed cap on property tax increases of 2% has affected how the District budgets and plans for current and future expenses.

The District provides an excellent educational experience for our students and provides ample support for the continuation of implementation of the 2021 New Jersey Student Learning Standards across content areas and professional learning opportunities for staff members charged with crafting, supporting, and providing lessons aligned to the standards.

District-wide, continued efforts have been made to support the whole student and maximize opportunities for growth and achievement for all students. This includes the development of supports to address the Social Emotional needs of our students. From the community precepts at the elementary level to the advisory period in the middle school, and the Wellness Room at the high school, the District is committed to providing students with the skills and strategies that will allow them to flourish, feel safe, and feel included in our schools and classrooms.

Other highlights in our elementary programs include our HEIGHTS (Having Each Individual Gain Higher-level Thinking Skills) program for all students, the development of additional STEAM units in grades K-5, the WIN (What I Need) period, and our ongoing commitment to the Berkeley Heights Tiered System of Supports (BHTSS). Our middle school and high school programs have expanded elective opportunities that are supported by student interests and engage our students as active-problem solvers who will be prepared for colleges and careers.

The school district will continue to evaluate its progress toward the goals of the Strategic Plan. The Strategic Plan is a living document and will be reviewed and adjusted to meet identified student needs as well as the changing curriculum standards and skills required to be successful in the current environment.

Regularly evaluating its buildings and grounds, the District identifies areas of concern and makes improvements annually. The District utilizes capital reserves for yearly budgeted capital projects and is considering a referendum in the near future to address larger, district-wide infrastructure needs.

The difficulties caused by the Covid-19 pandemic continue to be addressed and managed into the future. The Berkeley Heights School District regularly monitors costs and looks for efficiencies, including opportunities to share services, and engages in bulk purchasing to achieve economies of scale. The District also shares a number of services with the Township which benefit resident taxpayers.

**TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

The District is proud and grateful for the community support it receives and is committed to striking a fair balance between the local taxpayer and the educational necessities of its students. The Berkeley Heights Board of Education has committed itself to sound financial practices and plans to continue its prudent fiscal management to meet the challenges of the future.

**Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact: Anthony Juskiewicz, Business Administrator/Board Secretary, Berkeley Heights Board of Education, 345 Plainfield Avenue, Berkeley Heights, NJ 07922. Also, please visit our website to learn more about our School District.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2023

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$10,862,101.84	\$5,266.89	\$10,867,368.73
Receivables, net	4,678,400.89		4,678,400.89
Internal Balances	148,661.52	(148,661.52)	
Inventory		29,408.81	29,408.81
Capital assets:			
Non Depreciable	14,765,085.55		14,765,085.55
Depreciable - Net	42,871,671.19	134,537.76	43,006,208.95
Total Assets	<u>73,325,920.99</u>	<u>20,551.94</u>	<u>73,346,472.93</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to pension	<u>2,421,121.00</u>		<u>2,421,121.00</u>
Total deferred outflow of resources	2,421,121.00		2,421,121.00
<b>LIABILITIES:</b>			
Accounts payable	1,069,504.08		1,069,504.08
Payable to state government	2,205.96		2,205.96
Other payables	1,089,199.00		1,089,199.00
Unearned revenue	545,575.91	44,386.08	589,961.99
Accrued interest payable	74,127.08		74,127.08
Payroll deductions and withholdings payable	1,015,645.86		1,015,645.86
Unemployment compensation claims payable	61,590.05		61,590.05
Noncurrent liabilities:			
Net pension liability	11,215,984.00		11,215,984.00
Due within one year	2,105,646.46		2,105,646.46
Due beyond one year	5,030,673.39		5,030,673.39
Total liabilities	<u>22,210,151.79</u>	<u>44,386.08</u>	<u>22,254,537.87</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Leases	1,268,761.65		1,268,761.65
Related to pension	<u>1,996,448.00</u>		<u>1,996,448.00</u>
Total deferred inflows of resources	3,265,209.65		3,265,209.65
<b>NET POSITION:</b>			
Net Investment in capital assets	51,984,998.86	134,537.76	52,119,536.62
Non-spendable:			
Leases	56,746.35		56,746.35
Restricted for:			
Special revenue	296,994.75		296,994.75
Capital projects	3,998,726.17		3,998,726.17
Other purposes	3,078,271.77		3,078,271.77
Unrestricted(deficit)	<u>(9,144,057.35)</u>	<u>(158,371.90)</u>	<u>(9,302,429.25)</u>
Total net position(deficit)	<u>\$50,271,680.55</u>	<u>(\$23,834.14)</u>	<u>\$50,247,846.41</u>

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 19,183,730.65	\$ 7,543,225.16	\$ 6,602,495.11	\$ 4,892,334.67		\$ (15,232,126.04)		\$ (15,232,126.04)
Special	7,298,693.81	2,396,076.34		4,638,024.34		(5,056,745.81)		(5,056,745.81)
Other Instruction	1,949,067.43	737,438.57		425,974.19		(2,260,531.81)		(2,260,531.81)
Support services:								
Student & instruction related services	7,173,185.07	2,953,100.86	215,672.21	1,500,594.51		(8,410,019.21)		(8,410,019.21)
General administrative services	1,385,488.03	296,450.08		172,396.77		(1,511,541.33)		(1,511,541.33)
School administrative services	1,940,815.05	619,051.85		361,109.92		(2,198,756.98)		(2,198,756.98)
Central services	535,070.59	232,046.72		131,216.00		(635,901.31)		(635,901.31)
Administration information technology	344,123.90	82,942.81		48,580.56		(378,486.16)		(378,486.16)
Plant operations and maintenance	3,785,979.95	1,995,422.26			318,423.18	(5,039,687.71)		(5,039,687.71)
Pupil transportation	1,938,245.77	216,392.33	99,200.00	423,291.32		(1,345,322.60)		(1,345,322.60)
Unallocated benefits	16,712,876.72	(16,712,876.72)		710,115.50				
Unallocated depreciation and amortization	1,779,409.13	(361,270.27)				(1,418,138.86)		(1,418,138.86)
Interest on Long-Term Debt	295,100.65					(295,100.65)		(295,100.65)
Total governmental activities	64,321,786.75	\$	6,917,367.32	13,303,637.78	318,423.18	(43,782,358.47)		(43,782,358.47)
Business-type activities								
Food Service	1,115,720.67		1,132,789.15				17,068.48	17,068.48
Total business-type activities	1,115,720.67		1,132,789.15				17,068.48	17,068.48
Total primary government	\$ 65,437,507.42		\$ 8,050,156.47	\$ 13,303,637.78	\$ 318,423.18	\$ (43,782,358.47)	\$ 17,068.48	\$ (43,765,289.99)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net						\$ 44,896,469.00	\$	\$ 44,896,469.00
Taxes levied for debt service						1,186,801.00		1,186,801.00
Federal and state aid not restricted						41,519.00		41,519.00
Federal and state aid restricted						596,699.00		596,699.00
Miscellaneous income						504,804.96		504,804.96
Total general revenues and special items						47,226,292.96		47,226,292.96
Change in net position						3,443,934.49	17,068.48	3,461,002.97
Net Position - beginning (Deficit) (As restated)						\$ 46,827,748.06	\$ (40,902.62)	\$ 46,786,845.44
Net Position - ending (Deficit)						\$ 50,271,680.55	\$ (23,834.14)	\$ 50,247,846.41

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



**MAJOR FUND FINANCIAL STATEMENTS**

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

TOWNSHIP OF BERKELEY HEIGHTS 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>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 10,406,485.25	\$ 232,608.75	\$ 0.38	\$ 10,639,094.38
Cash with fiscal agents	223,007.46			223,007.46
Accounts receivable:				
Federal		445,392.59		445,392.59
State	896,990.27			896,990.27
Local	2,010,510.03			2,010,510.03
Accrued interest	874.26			874.26
Leases	1,324,633.74			1,324,633.74
Interfunds	<u>148,661.52</u>			<u>148,661.52</u>
 Total assets	 <u>\$ 15,011,162.53</u>	 <u>\$ 678,001.34</u>	 <u>\$ 0.38</u>	 <u>\$ 15,689,164.25</u>
 <b>LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	122,214.84	4,048.24		126,263.08
Accrued liability for insurance claims	1,089,199.00			1,089,199.00
Payroll deductions payable	1,015,645.86			1,015,645.86
Unemployment claims payable	61,590.05			61,590.05
Intergovernmental payables:				
State		2,205.96		2,205.96
Unearned revenue	<u>393,830.98</u>	<u>374,752.39</u>		<u>768,583.37</u>
 Total liabilities	 <u>2,682,480.73</u>	 <u>381,006.59</u>		 <u>3,063,487.32</u>
Deferred Inflows of Resources:				
Leases	<u>1,268,761.65</u>			<u>1,268,761.65</u>
Fund balances:				
Non-spendable:				
Leases	56,746.35			56,746.35
Restricted for:				
Capital reserve account	3,998,726.17			3,998,726.17
Maintenance reserve account	1,000,437.40			1,000,437.40
Excess surplus	1,453,021.69			1,453,021.69
Excess surplus designated for subsequent years expenditures	788,778.96			788,778.96
Scholarships		18,582.28		18,582.28
Student Activities		278,412.47		278,412.47
Unemployment	436,033.72			436,033.72
Debt service			0.38	0.38
Assigned:				
Year-end encumbrances	686,029.20			686,029.20
Designated for subsequent years expenditures	1,617,859.04			1,617,859.04
Unassigned	<u>1,022,287.62</u>			<u>1,022,287.62</u>
 Total fund balances	 <u>11,059,920.15</u>	 <u>296,994.75</u>	 <u>0.38</u>	 <u>11,356,915.28</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 15,011,162.53</u>	 <u>\$ 678,001.34</u>	 <u>\$ 0.38</u>	 <u>\$ 15,689,164.25</u>

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

Total Fund Balances (Brought Forward)	\$	11,356,915.28
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 94,592,296.44	
Accumulated Depreciation	<u>(36,955,539.70)</u>	57,636,756.74
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Serial bonds payable	(4,485,000.00)	
Net Pension Liability	(11,215,984.00)	
Installment purchases	(1,389,765.34)	
Less: unexpended installment proceeds	223,007.46	
Compensated absences payable	<u>(1,261,554.51)</u>	(18,129,296.39)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows		
Pension related		2,421,121.00
Deferred Inflows:		
Pension related		(1,996,448.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts payable - pension related	(943,241.00)	
Accrued Interest Payable	<u>(74,127.08)</u>	<u>(1,017,368.08)</u>
Net Position of Governmental Activities	\$	<u><u>50,271,680.55</u></u>

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 44,896,469.00	\$	\$ 1,186,801.00	\$ 46,083,270.00
Interest earned on maint. reserve funds	437.40			437.40
Interest earned on capital reserve funds	24,596.96			24,596.96
Transportation Fees from Individuals	99,200.00			99,200.00
Tuition	6,602,495.11			6,602,495.11
Miscellaneous	479,770.60	237,699.59		717,470.19
Total - local sources	52,102,969.07	237,699.59	1,186,801.00	53,527,469.66
State sources	17,423,032.69	67,416.30	596,699.00	18,087,147.99
Federal sources		1,429,828.59		1,429,828.59
Total revenues	69,526,001.76	1,734,944.48	1,783,500.00	73,044,446.24
<b>EXPENDITURES:</b>				
Current expense:				
Regular instruction	17,772,116.49	564,053.73		18,336,170.22
Special instruction	5,499,937.91	630,402.45		6,130,340.36
Other Instruction	1,949,067.43			1,949,067.43
Support services:				
Tuition	1,686,453.45			1,686,453.45
Student & instruction related services	6,887,401.81	292,998.26		7,180,400.07
General administrative services	1,386,777.03			1,386,777.03
School administrative services	1,940,815.05			1,940,815.05
Central services	536,359.59			536,359.59
Administrative information technology	446,753.79			446,753.79
Plant operations and maintenance	3,816,299.62	3,690.00		3,819,989.62
Student transportation	1,998,201.50			1,998,201.50
Unallocated benefits	23,358,312.36			23,358,312.36
Debt Service:				
Principal			1,485,000.00	1,485,000.00
Interest			298,500.00	298,500.00
Capital outlay	1,203,280.45	318,423.18		1,521,703.63
Total expenditures	68,481,776.48	1,809,567.62	1,783,500.00	72,074,844.10
Excess (deficiency) of revenues over (under) expenditures	1,044,225.28	(74,623.14)		969,602.14
Other financing sources (uses):				
Installment Purchases (non-budgeted)	774,669.58			774,669.58
Total other financing sources	774,669.58			774,669.58
Net change in fund balances	1,818,894.86	(74,623.14)		1,744,271.72
Fund balances, July 1,	9,241,025.29	\$ 371,617.89	0.38	9,612,643.56
Fund balances, June 30,	\$ 11,059,920.15	\$ 296,994.75	\$ 0.38	\$ 11,356,915.28

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, 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) \$ 1,744,271.72

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

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

Depreciation expense	\$	(1,779,409.13)	
Capital outlays		1,521,703.63	
Less: Capital outlays not capitalized		<u>(738,082.89)</u>	(995,788.39)

Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Installment purchase proceeds			(774,669.58)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Payment of installment purchase principal		593,866.35	
Payment of bond principal		<u>1,485,000.00</u>	2,078,866.35

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.

Decrease in accrued interest payable			24,543.75
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions		937,217.00	
Add: Pension benefit		<u>454,169.00</u>	1,391,386.00

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 (+).

Decrease in compensated absences payable			<u>(24,675.36)</u>
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Change in net position of governmental activities			<u>\$ 3,443,934.49</u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

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

BUSINESS-TYPE  
ACTIVITIES  
ENTERPRISE FUNDS  
FOOD SERVICE

## ASSETS:

## Current assets:

Cash and cash equivalents	\$	5,266.89
Inventories		29,408.81
		34,675.70
Total current assets		34,675.70

## Noncurrent assets:

Furniture, machinery and equipment		347,754.91
Less accumulated depreciation		(213,217.15)
		134,537.76
Total noncurrent assets		134,537.76
Total assets		169,213.46

## LIABILITIES:

## Current liabilities:

Interfunds payable		148,661.52
Unearned revenue		44,386.08
		193,047.60
Total current liabilities		193,047.60
Total liabilities		193,047.60

## NET POSITION:

Net Investment in capital assets		134,537.76
Unrestricted(deficit)		(158,371.90)
		(23,834.14)
Total net position(deficit)	\$	(23,834.14)

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND <u>FOOD SERVICE</u>
<b>OPERATING REVENUES:</b>	
Charges for services:	
Daily sales	\$ <u>1,132,789.15</u>
	<u>1,132,789.15</u>
<b>OPERATING EXPENSES:</b>	
Cost of sales	532,104.53
Salaries	311,169.73
Employee benefits and taxes	90,127.82
Other purchased services	75,409.40
Supplies and materials	63,985.07
Miscellaneous	27,960.75
Depreciation	<u>14,963.37</u>
Total operating expenses	<u>1,115,720.67</u>
Change in net position	17,068.48
Total net position - beginning (deficit)	<u>(40,902.62)</u>
Total net position - ending (deficit)	<u>\$ (23,834.14)</u>

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



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

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND FOOD SERVICE</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,134,161.87
Payments to employees and employee benefits	(311,169.73)
Payments to suppliers	<u>(802,328.77)</u>
Net cash provided by (used for) operating activities	<u>20,663.37</u>
Cash flows from noncapital financing activities:	
Transfers from/(to) other funds	<u>(12,348.64)</u>
Net cash provided by noncapital financing activities:	<u>(12,348.64)</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(12,963.60)</u>
Net cash provided by (used for) capital and related financing activities	<u>(12,963.60)</u>
Net decrease in cash and cash equivalents	(4,648.87)
Cash and cash equivalents, July 1,	<u>9,915.76</u>
Cash and cash equivalents, June 30,	<u>\$ 5,266.89</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 17,068.48
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and net amortization	14,963.37
Change in assets and liabilities:	
Increase/(decrease) in unearned revenue	1,372.72
(Increase)/decrease in inventories	<u>(12,741.20)</u>
	<u>3,594.89</u>
Net cash provided by (used for) operating activities	<u>\$ 20,663.37</u>

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

The District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a seven member board and one sending district member and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the 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.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one high school, one middle school and four elementary schools. 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.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. 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.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

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

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

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

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or leased 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** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service program operations. These funds are 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.

**Basis of Accounting - Measurement Focus**

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset and leased asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and installment purchases are reported as other financing sources.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 totaled net \$184,118.00, representing prior unbudgeted state aids, and other approved modifications. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 revenues at fiscal year-end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	40
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Ground Equipment	15

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.



**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences (Continued)**

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

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

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

**Unearned Revenue**

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

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

**Fund Balance Reserves**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

*Non-Spendable* – includes amounts that cannot be spend because they are either non-spendable in form or are legally or contractually required to be maintained intact. The District reports a portion of fund balance for leases that are not available for appropriation because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not spendable resource.

*Restricted* – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Scholarships, Student Activities, Unemployment and Excess Surplus as Restricted Fund Balance.

*Committed* – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

*Assigned* – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

*Unassigned* – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**Revenues 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.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements, the year-end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pensions and leases.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

**Right to Use Assets**

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

**Recently Adopted Accounting Pronouncements**

Beginning with the year ended June 30, 2023, the District has implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The District had the following cash and cash equivalents at June 30, 2023:

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	\$12,413,891.16	\$1,987.77	\$1,553,777.09	\$10,862,101.84
Proprietary	<u>5,808.94</u>	<u>0.00</u>	<u>542.05</u>	<u>5,266.89</u>
	<u>\$12,419,700.10</u>	<u>\$1,987.77</u>	<u>\$1,554,319.14</u>	<u>\$10,867,368.73</u>

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$533,168.72 was covered by Federal Depository Insurance and \$11,886,531.38 was covered under the provisions of NJGUDPA.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments**

The purchase of investments by the District is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.



**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); 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;
  - 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. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2023, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	(As restated)			
	Beginning		Transfers/	Ending
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental Activities: Capital assets not being depreciated:				
Land	\$14,043,000.00			\$14,043,000.00
Construction in progress	<u>255,938.75</u>	<u>\$466,146.80</u>		<u>722,085.55</u>
Total Capital Assets not being depreciated	<u>14,298,938.75</u>	<u>466,146.80</u>		<u>14,765,085.55</u>
Land Improvements	4,890,260.55			4,890,260.55
Buildings & Building Improvements	70,001,562.66	195,489.20		70,197,051.86
Machinery & Equipment	<u>4,751,172.28</u>	<u>121,984.74</u>	<u>(\$133,258.54)</u>	<u>4,739,898.48</u>
Totals at historical cost	<u>79,642,995.49</u>	<u>317,473.94</u>	<u>(133,258.54)</u>	<u>79,827,210.89</u>
Gross Assets (Memo only)	<u>93,941,934.24</u>	<u>783,620.74</u>	<u>(133,258.54)</u>	<u>94,592,296.44</u>
Less: Accumulated Depreciation				
Land Improvements	(3,273,167.12)	(114,139.52)		(3,387,306.64)
Buildings & Building Improvements	(28,615,370.16)	(1,401,011.94)		(30,016,382.10)
Machinery & Equipment	<u>(3,420,851.83)</u>	<u>(264,257.67)</u>	<u>133,258.54</u>	<u>(3,551,850.96)</u>
Total Depreciation	<u>(35,309,389.11)</u>	<u>(1,779,409.13)</u>	<u>133,258.54</u>	<u>(36,955,539.70)</u>
Total capital assets being depreciated, net of depreciation	<u>44,333,606.38</u>	<u>(1,461,935.19)</u>		<u>42,871,671.19</u>
Total Governmental Fund Activities	<u>\$58,632,545.13</u>	<u>(\$995,788.39)</u>		<u>\$57,636,756.74</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended June 30, 2023 was as follows:

Proprietary Activities:			
Machinery & Equipment	<u>\$334,791.31</u>	<u>\$12,963.60</u>	<u>\$347,754.91</u>
Totals at historical cost	<u>334,791.31</u>	<u>12,963.60</u>	<u>347,754.91</u>
Less: Accumulated Depreciation			
Machinery & Equipment	<u>(198,253.78)</u>	<u>(14,963.37)</u>	<u>(213,217.15)</u>
Total Depreciation	<u>(198,253.78)</u>	<u>(14,963.37)</u>	<u>(213,217.15)</u>
Total Proprietary Fund Activities	<u>\$136,537.53</u>	<u>(\$1,999.77)</u>	<u>\$134,537.76</u>

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	\$33,498.75
Support services:	
Student & instruction related services	42,252.28
Technology	17,865.65
Plant operations and maintenance	193,200.69
Pupil transportation	74,452.90
Direct Expense of various functions	<u>1,418,138.86</u>
	<u>\$1,779,409.13</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2023, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2023:

	<u>Balance,</u> <u>6/30/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>6/30/2023</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$5,970,000.00		(\$1,485,000.00)	\$4,485,000.00	\$1,490,000.00
Compensated Absences	1,236,879.15	\$24,675.36		1,261,554.51	
Net Pension Liability	8,563,744.00	2,652,240.00		11,215,984.00	
Installment Purchases	<u>1,123,631.69</u>	<u>\$860,000.00</u>	<u>(593,866.35)</u>	<u>1,389,765.34</u>	<u>615,646.46</u>
Total	<u>\$16,894,254.84</u>	<u>\$3,536,915.36</u>	<u>(\$2,078,866.35)</u>	<u>\$18,352,303.85</u>	<u>\$2,105,646.46</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Debt Service Requirements**

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$1,490,000.00	\$224,250.00	\$1,714,250.00
2025	1,500,000.00	149,750.00	1,649,750.00
2026	<u>1,495,000.00</u>	<u>74,750.00</u>	<u>1,569,750.00</u>
	<u>\$4,485,000.00</u>	<u>\$448,750.00</u>	<u>\$4,933,750.00</u>

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issue:

<u>Issue</u>	<u>Amount Outstanding June 30, 2023</u>
\$13,970,000.00 in 2014 Refunding Bonds due in remaining annual installments of between \$1,485,000.00 and \$1,500,000.00 ending November, 2026 with interest between 2.500% to 5.000%	<u>\$4,485,000.00</u>
	<u>\$4,485,000.00</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Debt Capacity**

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2023, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2022	\$3,694,801,857
2021	3,542,835,039
2020	3,350,668,620
	<u>\$10,588,305,516</u>
 Average equalized valuation	 <u>\$3,529,435,172</u>
 School borrowing margin (4% of \$3,529,435,172)	  \$141,177,407
Net school debt as of June 30 2023	<u>4,485,000</u>
 School borrowing power available	 <u>\$136,692,407</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Instalment Purchases**

The District has entered into several installment purchase agreements for technology, equipment, curriculum and buses. The agreements are for terms up to five years. Future annual debt service payments on installment purchases as of June 30, 2023 including interest of \$59,545.86 are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$615,646.46	\$30,429.54	\$646,076.00
2025	399,821.59	17,891.06	417,712.65
2026	275,458.85	8,657.43	284,116.28
	<u>98,838.44</u>	<u>2,567.83</u>	<u>101,406.27</u>
	<u>\$1,389,765.34</u>	<u>\$59,545.86</u>	<u>\$1,449,311.20</u>

**NOTE 5: PENSION PLANS**

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

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 5: PENSION PLANS (CONTINUED)**

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

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.



**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A, 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 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.

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

<u>Year Ended</u>	<u>Annual</u> <u>Pension Cost</u>	<u>Percentage</u> <u>of APC</u>	<u>Net Pension</u>
<u>June 30,</u>	<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2023	\$937,217.00	100%	\$937,217.00
2022	846,591.00	100%	846,591.00
2021	759,936.00	100%	759,936.00

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 5: PENSION PLANS (CONTINUED)**

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$8,202,232.00, \$8,318,262.00 and \$6,466,025.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2023, 2022 and 2021, the State of New Jersey reimbursed the District \$1,961,983.69, 1,908,091.33 and \$1,819,615.44 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2023, the State reported a net pension liability of \$11,215,984.00 for the District's proportionate share of the total net pension liability. 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. 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 employers, actuarially determined. At June 30, 2022, the District's proportion was 0.0743204845 percent, which was an increase of 0.0020312461 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized a pension benefit of \$454,169.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2022 measurement date.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

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

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 80,952.00	\$ 71,388.00
Changes of assumptions	34,751.00	1,679,477.00
Net difference between projected and actual earnings on pension plan investments	464,219.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	897,958.00	245,583.00
District contributions subsequent to the measurement date	943,241.00	
	<u>\$ 2,421,121.00</u>	<u>\$ 1,996,448.00</u>

The \$955,961.34 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$831,621.00)
2024	(359,681.00)
2025	(108,564.00)
2026	651,968.00
2027	129,330.00
	<u>(\$518,568.00)</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**  
**Actuarial Assumptions**

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	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 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.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

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

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 Rate of Return**

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

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market 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. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

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

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

**Sensitivity of the District's proportionate share of net pension liability to changes in the discount rate**

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

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$14,409,254.00	\$11,215,984.00	\$8,498,383.00

**Pension plan fiduciary net position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

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

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>116,050,508.00</u>
	<u><u>\$116,050,508.00</u></u>

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 June 30, 2021 which was rolled forward to June 30, 2022. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .2249284264% which was an increase of .0066428548 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$3,123,243.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**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	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

**Mortality Rate**

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

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 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.



**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return (Continued)**

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:

<u>Assets 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 Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.19%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Non-Employer OPEB Liability**

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	99,871,496
	99,871,496
	\$99,871,496

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.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$3,550,882.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .1971934270 percent, which was an increase of .0025647487 from its proportion measured as of June 30, 2022.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**Actuarial Assumptions and Other Inputs**

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Inputs (Continued)**

	<u>June 30, 2022</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

\*- Based on Years of Service

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

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 to June 30, 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Input (Continued)**

**Discount Rate**

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

**Changes in the Total Non-Employer OPEB Liability**

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022.

Balance at 6/30/21		\$116,792,098
Changes for the year:		
Service cost	\$5,415,545	
Interest	2,646,705	
Changes of Benefit Terms		
Differences between expected and actual experience	4,346,109	
Changes in assumptions or other inputs	(26,791,425)	
Membership Contributions	84,103	
Benefit payments - Net	<u>(2,621,639)</u>	
Net changes		<u>(16,920,602)</u>
Balance at 6/30/22		<u><u>\$99,871,496</u></u>

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	1.00%	June 30, 2022 At Discount Rate (3.54%)	1.00%
	<u>Decrease (2.54%)</u>		<u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$117,388,438	\$99,871,496	\$85,832,543

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	1.00%	June 30, 2022 Healthcare Cost Trend Rate	1.00%
	<u>Decrease</u>		<u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$82,549,896	\$99,871,496	\$122,624,470

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability**

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 17,831,024	\$ 30,491,922
Changes of assumptions	17,285,228	33,990,801
Changes in proportion	<u>3,818,929</u>	<u>1,460,059</u>
	<u>\$ 38,935,181</u>	<u>\$ 65,942,782</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June 30,</u>	<u>Amount</u>
2023	(\$4,491,884)
2024	(\$4,491,884)
2025	(\$4,491,884)
2026	(\$3,818,070)
2027	(\$1,981,216)
Total Thereafter	<u>(\$7,732,663)</u>
	<u>(\$27,007,601)</u>



**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**NOTE 8: LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**NOTE 9: CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors.

**NOTE 10: 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 maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 10: RISK MANAGEMENT (CONTINUED)**

**Property and Liability Insurance** - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**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. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

Year Ended <u>June 30,</u>	Employer <u>Contributions</u>	Interest and Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023	\$-0-	\$64,898.39	\$64,895.79	\$497,623.77
2022	-0-	72,333.56	15,217.85	497,621.17
2021	-0-	52,743.43	41,003.77	440,505.46

**Health and Prescription Drug Insurance**

The District has entered into an agreement with Cigna Insurance Company for a Self Insurance Plan for medical and prescription drug programs. The agreement is administered by Alliant Insurance Services. At June 30, 2023 total unpaid claims, including an estimate of claims that have been incurred but not yet reported (IBNR) to the administrative agent, totaled \$1,089,199.00.

**NOTE 11: COMPENSATED ABSENCES**

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

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 11: COMPENSATED ABSENCES (CONTINUED)**

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

The liability for vested compensated absences of the governmental fund types are recorded in the district-wide statement of net position. As of June 30, 2023, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,261,554.51.

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 funds.

**NOTE 12: FUND BALANCE APPROPRIATED-GAAP BASIS**

General Fund - Of the \$11,059,920.15 in General Fund Balance at June 30, 2023, \$686,029.20 has been assigned for encumbrances; \$56,746.35 is non-spendable, \$3,998,726.17 has been restricted in the Capital Reserve Account; \$1,000,437.40 has been restricted in the Maintenance Reserve Account; \$1,453,021.69 has been restricted as excess surplus; \$788,778.96 has been restricted as excess surplus - subsequent years' expenditures; \$436,033.72 has been restricted as unemployment; \$1,617,859.04 has been assigned for subsequent years' expenditures; and \$1,022,287.62 is unassigned.

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance resulting from the year ended June 30, 2023 is \$1,453,021.69.

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was originally established by the District 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.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022		\$3,043,129.21
Interest Earnings	\$24,596.96	
Deposits:		
Board Resolution	1,500,000.00	
		1,524,596.96
		\$4,567,726.17
Withdrawals:		
2022-23 Budget		569,000.00
Balance, June 30, 2023		\$3,998,726.17

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 15: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve was established through a board resolution by the District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

The activity of the maintenance reserve during the year ended June 30, 2023, is as follows:

Balance, July 1, 2022	\$500,000.00
Interest Earnings	437.40
Deposits:	
Board Resolution	500,000.00
Balance, June 30, 2023	\$1,000,437.40

**NOTE 16: INVENTORY**

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food and Supplies	\$29,408.81
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 17: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2023.

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$148,661.52	\$0.00
Enterprise Funds	<u>\$0.00</u>	<u>\$148,661.52</u>
	<u>\$148,661.52</u>	<u>\$148,661.52</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 19: LEASE RECEIVABLE**

The District, as lessor, leases property at 175 Watchung Boulevard, Berkeley Heights, New Jersey for use of Wireless Edge Towers. The current lease term expires at December 31, 2026 with three additional extension options, each for 60 months. The lessee must provide notice of intention to terminate to the lessor not less than sixty days prior to the expiration of any subsequent renewal term. The lease receivable is measured as the present value of the future value of the minimum lease payments expected to be received during the lease term at the discount rate. The discount rate is 1.485% and is equal to the incremental borrowing rate of the Lessee.

**Township of Berkeley Heights School District**  
**Notes to the Financial Statements**  
**June 30, 2023**

**NOTE 19: LEASE RECEIVABLE (CONTINUED)**

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$48,032.23	\$19,344.77
2025	50,785.51	18,612.80
2026	53,641.00	17,839.25
2027	56,602.08	17,022.58
2028	59,672.20	16,161.20
2029-2033	348,485.86	66,202.27
2034-2038	443,787.46	36,949.73
2039-2042	263,627.40	5,146.01
Total Minimum Lease Payments	\$1,324,633.74	\$197,278.61

**NOTE 20: RESTATEMENT**

The District made prior year adjustments in the District Wide Financial Statements to correct the value of Capital Assets and Net Assets - Invested in Capital Assets, Net of Related Debt reported in its Business type activities as of June 30, 2022.

	<u>Governmental</u>	<u>Proprietary</u>
	<u>Activities</u>	<u>Activities</u>
Beginning Net Position 06/30/22	\$46,595,916.67	(\$72,041.50)
Adjustments:		
Capital Assets, Net of Accumulated		
Depreciation	231,829.39	31,138.88
Beginning Net Position 06/30/22 (As restated)	\$46,827,746.06	(\$40,902.62)

**NOTE 21: SUBSEQUENT EVENTS**

The District has evaluated material subsequent events occurring after the financial statement date through January 22, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that there are no subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**



**BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 44,896,469.00	\$	44,896,469.00	\$ 44,896,469.00	\$ 31,021.70
Tuition from Individuals	124,500.00		124,500.00	155,521.70	711,833.41
Tuition from Other LEAs Within State	5,735,140.00		5,735,140.00	6,446,973.41	99,200.00
Transportation Fees From Individuals	135,500.00		135,500.00	195,972.70	60,472.70
Rents and Royalties	400,000.00		400,000.00	250,934.90	(149,065.10)
Miscellaneous				437.40	437.40
Interest Earned on Maintenance Reserve	4,500.00		4,500.00	24,596.96	20,096.96
Interest Earned on Capital Reserve Funds				5,713.69	5,713.69
Other Restricted Miscellaneous Revenues					
<b>Total Local Sources</b>	<b>51,296,109.00</b>		<b>51,296,109.00</b>	<b>52,075,819.75</b>	<b>779,710.75</b>
State Sources:					
Categorical Transportation Aid	470,303.00		470,303.00	470,303.00	149,994.00
Extraordinary Aid	600,000.00		600,000.00	749,834.00	
Categorical Special Education Aid	2,102,100.00		2,102,100.00	2,102,100.00	
Categorical Security Aid	40,882.00		40,882.00	40,882.00	
Other State Aid				197,341.00	197,341.00
On-behalf TPAF Contributions-non-budgeted				9,336,587.00	9,336,587.00
NCG-non-budgeted				129,535.00	129,535.00
Reimbursed TPAF Social Security Contribution-non-budgeted				1,948,683.69	1,948,683.69
Post Retirement Medical-non budgeted				2,486,728.00	2,486,728.00
Long-Term Disability Insurance-non-budgeted				2,742.00	2,742.00
<b>Total State Sources</b>	<b>3,213,285.00</b>		<b>3,213,285.00</b>	<b>17,464,835.69</b>	<b>14,251,550.69</b>
Federal Sources:					
Medicaid Reimbursement	17,567.00		17,567.00		(17,567.00)
<b>Total Federal Sources</b>	<b>17,567.00</b>		<b>17,567.00</b>		<b>(17,567.00)</b>
<b>Total Revenues</b>	<b>54,526,961.00</b>		<b>54,526,961.00</b>	<b>69,540,655.44</b>	<b>15,013,694.44</b>
Withdraw from Cap Res-Excess Cost & Oth Cap Ptg	569,000.00		569,000.00		(569,000.00)
<b>EXPENDITURES:</b>					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Preschool	182,944.00	(4,000.00)	178,944.00	176,710.71	2,233.29
Kindergarten	863,348.00	27,984.21	890,912.21	875,419.92	15,492.29
Grades 1-5	5,820,142.00	73,951.46	5,894,093.46	5,771,737.63	122,355.83
Grades 6-8	3,853,962.00	(91,797.00)	3,762,165.00	3,715,386.25	46,778.75
Grades 9-12	6,375,323.00	(289,451.05)	6,085,871.95	6,063,379.92	22,492.03
Regular programs - home instruction:					
Salaries of teachers	35,000.00	(10,940.00)	24,060.00	11,060.00	13,000.00
Purchased professional educational services	45,000.00	28,000.00	73,000.00	64,425.98	8,574.02
Regular programs - undistributed instruction:					
Other salaries for instruction	102,729.00	(19,194.86)	83,534.14	81,750.92	1,783.22
Purchased professional - educational services	122,333.00	(9,351.73)	112,981.27	78,749.62	34,231.65
Purchased technical services	156,230.00	20,200.00	176,430.00	176,406.67	23.33
Other purchased services (400 - 500 series)	291,461.90	209,295.62	500,757.52	475,531.45	25,226.07
General supplies	360,590.77	82,139.28	442,730.05	276,953.11	165,776.94
Textbooks	10,791.00	(8,115.00)	2,676.00	2,656.31	19.69
Other objects	1,880.00	1,201.00	3,081.00	1,946.00	1,135.00
<b>Total regular programs</b>	<b>18,221,734.67</b>	<b>9,501.93</b>	<b>18,231,236.60</b>	<b>17,772,116.49</b>	<b>459,120.11</b>

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 263,723.00	\$ 31,000.00	\$ 294,723.00	\$ 290,823.00	\$ 3,900.00
Other salaries for instruction	86,003.00	12,000.00	100,003.00	96,153.03	3,849.97
Purchased Professional-Educational Services	700.00	24.00	724.00	724.00	
General Supplies	2,000.00	1,500.00	3,500.00	2,736.49	763.51
Total Learning and/or Language Disabilities	354,426.00	44,524.00	398,950.00	390,436.52	8,513.48
Auditory Impairments					
Salaries of Teachers	446,117.00		446,117.00	394,031.88	62,085.12
Other Salaries for Instruction	379,301.00	(31,000.00)	348,301.00	297,832.34	50,468.66
Purchased Professional-Educational Services	5,460.00		5,460.00	3,321.81	2,138.19
Other Purchased Services (400-500 series)	500.00		500.00	500.00	
General Supplies	1,000.00		1,000.00	97.74	902.26
Total Auditory Impairments	832,378.00	(31,000.00)	801,378.00	685,283.77	116,094.23
Resource Room / Resource Center:					
Salaries of Teachers	3,194,695.00		3,049,695.00	2,950,655.27	99,039.73
Other salaries for instruction	739,369.00	(145,000.00)	594,369.00	563,207.36	111,161.64
Purchased Professional-Educational Services	730.00	(45,000.00)	730.00	577.00	153.00
General Supplies	1,775.00		1,775.00	802.27	972.73
Total Resource Room / Resource Center	3,936,569.00	(190,000.00)	3,746,569.00	3,535,241.90	211,327.10
Autism					
Salaries of Teachers	352,284.00	128,000.00	480,284.00	479,361.78	922.22
Other Salaries for Instruction	390,864.50	20,000.00	410,864.50	403,206.09	7,658.41
General Supplies	3,950.00	(24.00)	3,926.00	2,848.85	1,077.15
Total Autism	747,098.50	147,976.00	895,074.50	885,416.72	9,657.78
Home Instruction:					
Salaries of Teachers	15,000.00	3,000.00	18,000.00	3,559.00	14,441.00
Total Home Instruction	15,000.00	3,000.00	18,000.00	3,559.00	14,441.00
Total Special Education	5,885,471.50	(25,500.00)	5,859,971.50	5,499,937.91	360,033.59
Basic Skills / Remedial:					
Salaries of Teachers	326,648.00	(1,281.00)	325,367.00	320,743.16	4,623.84
General Supplies	2,635.00		2,635.00	360.00	2,275.00
Total Basic Skills / Remedial	329,283.00	(1,281.00)	328,002.00	321,103.16	6,898.84

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Bilingual Education:					
Salaries of Teachers	157,743.00	31,997.00	189,740.00	189,478.43	261.57
Purchased Professional-Educational Services	150.00		150.00		150.00
Other Purchased Services (400-500 series)	1,750.00		1,750.00	1,420.00	330.00
General Supplies	340.00		340.00		340.00
Total Bilingual Education:	159,583.00	31,997.00	191,580.00	190,898.43	1,081.57
School Sponsored Co-Curricular Activities:					
Salaries	286,610.00	12,137.00	298,747.00	265,462.00	33,285.00
Purchased Services (300-500 series)	25,600.00	650.00	26,250.00	25,324.98	925.02
Supplies and Materials	16,888.00		16,888.00	11,082.40	5,805.60
Other Objects	4,539.00	500.00	5,039.00	3,113.00	1,926.00
Total School Sponsored Co-Curricular Activities	333,637.00	13,287.00	346,924.00	305,022.38	41,901.62
School Sponsored Athletics:					
Salaries	899,700.00	6,330.00	906,030.00	850,012.38	46,017.62
Purchased Services (300-500 Series)	99,210.00	8,882.00	108,192.00	90,416.70	17,775.30
Supplies and Materials	162,679.45	(34,321.67)	128,357.78	125,609.12	2,748.66
Other Objects	84,976.00	6,517.07	91,493.07	66,025.26	25,467.81
Total School Sponsored Athletics	1,226,565.45	(12,492.60)	1,214,072.85	1,132,063.46	82,009.39
Total Other Instructional Programs	2,059,468.45	31,510.40	2,090,978.85	1,949,067.43	141,911.42
Total - Instruction	26,166,674.62	15,512.33	26,182,186.95	25,221,121.83	961,065.12
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Special	345,365.00		545,425.38	530,000.18	15,425.20
Tuition to County Vocational School District - Regular	527,000.00	(8,900.00)	518,100.00	518,100.00	
Tuition to County Vocational School District - Sp Ed	4,000.00	2,000.00	6,000.00	6,000.00	
Tuition to Private Schools for the Handicapped w/in State	494,654.00	137,713.08	632,367.08	632,353.27	13.81
Total Undistributed Expenditures - Instruction	1,371,019.00	330,813.46	1,701,832.46	1,668,453.45	15,439.01
Attendance and Social Work Services:					
Salaries	59,821.00	1,290.00	61,111.00	61,110.03	0.97
Total Attendance and Social Work Services	59,821.00	1,290.00	61,111.00	61,110.03	0.97
Health Services:					
Salaries	565,484.40	15,272.55	580,756.95	576,903.76	3,853.19
Purchased Professional and Technical Services	4,000.00	38,000.00	42,000.00	37,302.84	4,697.16
Other Purchased Services	43,065.00	(7,000.00)	36,065.00	31,651.76	4,403.24
Supplies and Materials	13,278.50	(900.00)	12,378.50	6,126.01	6,252.49
Other Objects	510.00		510.00		510.00
Total Health Services	626,327.90	45,372.55	671,700.45	651,984.37	19,716.08
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	758,026.00	(9,695.00)	748,331.00	748,327.20	3.80
Purchased Professional - Educational Services	36,340.00	11,000.00	49,340.00	40,310.75	9,029.25
Supplies and Materials	2,947.00		2,947.00	1,624.39	1,322.61
Total Other Support Services - Speech, OT, PT & Related Services	797,313.00	1,305.00	800,618.00	790,262.34	10,355.66

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other Support Services - Students - Extra Services					
Salaries	712,123.00	175,434.64	887,557.64	886,269.85	1,287.79
Total Other Support Services - Students - Extra Services	712,123.00	175,434.64	887,557.64	886,269.85	1,287.79
Guidance:					
Salaries of Other Professional Staff	1,078,512.00	79,029.55	1,157,541.55	1,151,085.63	6,455.92
Salaries of Secretarial and Clerical Assistants	136,833.00	(2,720.64)	134,112.36	132,080.44	2,031.92
Unused Vacation Payment to Terminated/Retired Staff		3,525.64	3,525.64	3,523.64	2.00
Purchased Professional - Educational Services	7,039.00	7,039.00	14,078.00	6,657.37	381.63
Other Purchased Services	13,448.00	13,448.00	26,896.00	7,561.64	5,886.36
Supplies and Materials	12,642.00	12,642.00	25,284.00	6,784.06	5,857.94
Other Objects	1,464.00	1,464.00	2,928.00	1,145.00	319.00
Total Guidance	1,249,538.00	79,834.55	1,329,372.55	1,308,839.78	20,532.77
Child Study Teams:					
Salaries of Other Professional Staff	1,262,588.00	(42,025.00)	1,240,563.00	1,240,542.48	20.52
Salaries of Secretarial and Clerical Assistants	129,987.00	(14,000.00)	114,987.00	110,641.79	4,355.21
Purchased Professional Educational Services	36,255.00	(36,255.00)			
Other Purchased Professional and Technical Services	925.00	43,544.54	44,469.54	37,256.84	7,212.70
Other Purchased Services (400-500 series)	6,545.00	1,440.00	7,985.00	6,363.22	1,621.78
Supplies and Materials	9,273.00	(720.00)	8,553.00	7,290.54	1,262.46
Total Child Study Teams	1,484,583.00	(48,015.46)	1,416,567.54	1,402,084.87	14,472.67
Improvement of Instruction Services /Other Support Svcs. Inst. Staff					
Summer Curriculum Development					
Salaries of Supervisors of Instruction	1,198,499.73	(38,018.73)	1,160,481.00	1,141,022.33	19,458.67
Salaries of Secretarial and Clerical Assists.	56,077.00	(10,751.94)	45,325.06	23,776.73	21,548.33
Unused Vacation Payment to Terminated/Retired Staff		4,162.49	4,162.49	4,162.49	
Other Purch Prof. and Tech. Services	2,500.00	1,200.00	3,700.00	3,690.04	9.96
Other Purchased Services (400-500)	1,000.00	(300.00)	800.00	468.61	331.39
Supplies and materials	2,100.00	2,100.00	4,200.00	1,767.95	332.05
Other Objects	3,400.00	1,245.00	4,645.00	4,640.00	5.00
Total Support Services - Instructional Staff	1,283,576.73	(42,363.18)	1,221,213.55	1,179,528.15	41,685.40
Educational Media Services / School Library:					
Salaries	450,662.00	37,530.00	488,192.00	482,284.78	5,907.22
Purchased Professional and Technical Services	23,485.00	6,170.47	29,655.47	28,051.74	1,523.73
Other Purchased Services (400-500 Series)	3,896.00	(3,791.78)	104.22	77.81	28.41
Supplies and materials	21,370.00	(3,881.83)	17,488.17	14,088.55	3,399.62
Total Educational Media Services / School Library	499,393.00	36,026.86	535,419.86	524,482.88	10,876.98
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction Summer Hours	70,632.00	1,500.00	72,132.00	72,102.60	29.40
Salaries of Secretarial and Clerical Assistants	4,529.00	4,529.00	9,058.00	4,197.26	331.74
Other Purchased Professional - Educational Services	67,130.00	(23,200.00)	43,930.00	1,602.61	42,327.39
Other Purchased Services (400- 500)	23,500.00	25.00	23,525.00	23,575.00	18,647.93
Supplies and materials	3,980.00	3,980.00	7,960.00	3,980.00	3,980.00
Total Instructional Staff Training Services	169,821.00	(21,675.00)	148,146.00	82,839.54	65,316.46

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services General Administration:					
Salaries	\$ 687,897.77	\$ (25,070.88)	\$ 662,826.89	\$ 657,946.41	\$ 4,880.48
Vacation Payout	104,000.00	15,970.88	120,000.00	8,917.04	7,053.84
Legal Services	45,000.00	71,000.00	116,000.00	137,720.40	37,279.60
Expenditure and Internal Control Audit Fees	72,580.00	12,085.00	84,675.00	43,975.00	1,025.00
Architectural/Engineering Services	72,500.00	(65,500.00)	7,000.00	68,158.75	15,516.25
Other Purchased Professional Services	134,200.00	(93,571.00)	40,629.00	6,480.00	520.00
Other Purchased Technical Services	46,200.00	(1,648.00)	44,552.00	40,379.40	249.60
Communications / Telephone	12,600.00	1,900.00	14,500.00	34,683.10	9,888.90
Board Travel Expense	300,024.00	19,166.00	319,190.00	14,184.59	315.41
Miscellaneous Expenditures	17,336.91	(30.00)	17,306.91	313,632.68	5,557.32
General Supplies	1,000.00		1,000.00	13,566.35	3,743.66
BOE In- House Training/ Meeting Supplies	10,000.00	4,000.00	14,000.00	12,432.00	1,000.00
Miscellaneous Expenditures	35,500.00		35,500.00	1,568.00	1,568.00
BOE Membership Dues and Fees	1,538,831.68	(61,698.00)	1,477,133.68	33,721.31	1,778.69
Total Support Services General Administration			1,477,133.68	1,386,777.03	90,376.65
Support Services School Administration:					
Salaries of Principals / Asst. Principals	1,389,321.56	(4,325.73)	1,385,000.00	1,378,163.70	15,832.13
Salaries of Secretarial and Clerical Assistants	554,110.00	(1,763.19)	552,346.81	513,777.03	38,569.78
Unused Vacation Payment to Terminated/Retired Staff	30,000.00	10,000.00	40,000.00	25,444.85	14,555.15
Other Purchased Services(400-500 series)	7,417.45	5,773.52	13,190.97	6,662.30	3,161.22
Supplies and Materials	10,770.00	2,626.09	13,396.09	6,963.17	3,080.97
Other Objects	2,044,669.01	680.00	2,045,349.01	9,804.00	1,546.00
Total Support Services School Administration		12,960.69	2,017,659.70	1,940,515.05	76,944.65
Central Service:					
Salaries	525,279.45	7,963.10	533,242.55	500,781.40	32,161.15
Unused Vacation Payment to Terminated/Retired Staff	10,824.00	19,401.50	30,225.50	11,607.44	7,794.06
Purchased Professional Services	3,800.00	10,824.00	14,624.00	10,824.00	10,824.00
Misc. Purch Services (400-500)	18,500.00	14,583.00	33,083.00	12,113.54	2,469.46
Supplies and Materials	2,200.00	(7,267.00)	(5,067.00)	10,262.21	970.79
Miscellaneous Expenditures	560,603.45	30,880.60	591,484.05	1,585.00	605.00
Total Central Service			591,484.05	536,359.59	54,824.46
Administrative Information Technology:					
Salaries	191,114.00	(200.00)	190,914.00	185,406.04	5,507.96
Unused Vacation Payment to Terminated/Retired Staff	195,697.00	4,200.00	200,000.00	192.31	4,007.69
Purchased Technical Services	103,430.00	(38,650.00)	64,780.00	151,994.59	5,052.41
Other Purchased Services	1,686.00	1,100.80	2,786.80	104,427.50	103.90
Supplies and Materials	491,927.00	5,972.78	500,000.00	4,733.35	2,925.43
Total Administrative Information Technology		(27,576.42)	468,350.58	446,753.79	17,556.79
Required Maintenance for School Facilities:					
Salaries	437,171.00	8,423.35	445,594.35	422,174.33	23,420.02
Unused Vacation Payment to Terminated/Retired Staff	359,286.43	5,226.65	364,513.08	5,226.65	5,226.65
Cleaning, Repair and Maintenance Services	205,135.62	(40,383.00)	164,752.62	211,166.91	107,748.52
General Supplies	1,500.00	(13,284.00)	(11,784.00)	161,218.90	30,632.72
Other Objects	1,003,105.05	3,384.00	1,006,489.05	4,884.00	576.00
Total Required Maintenance for School Facilities		(35,633.00)	966,472.05	804,094.79	162,377.26

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>Custodial Services:</b>					
Salaries	\$ 1,844,396.00	\$ 18,848.44	\$ 1,863,244.44	\$ 1,758,690.55	\$ 104,553.89
Unused Vacation Payment		6,676.56	6,676.56	6,676.56	
Other Employee Benefits		14,400.29	3,974.96	3,974.96	10,425.33
Purchased Professional and Technical Services	118,776.00	(12,792.12)	105,983.88	80,858.60	25,125.28
Cleaning, Repair and Maintenance Services	63,800.00	(168.67)	63,631.33	50,850.58	12,780.75
Other Purchased Property Services	108,032.00	(5,563.25)	102,468.75	102,468.75	
Insurance	48,000.00	(16,032.00)	32,968.00	19,868.00	13,100.00
Miscellaneous Purchased Services	2,100.00		2,100.00	1,250.00	850.00
General Supplies	96,600.00	(750.46)	95,849.54	81,818.25	14,031.29
Energy (Natural Gas)	170,427.28	147,661.38	318,088.66	268,492.88	49,595.78
Energy (Heat and Electricity)	328,000.00	14,855.20	342,855.20	315,777.86	27,077.32
Total Custodial Services	2,781,131.28	167,136.37	2,948,267.65	2,690,727.01	257,540.64
<b>Care and Upkeep of Grounds:</b>					
Salaries	80,689.00		80,689.00	70,120.40	10,568.60
Purchased Professional and Technical Services	99,075.00	16,346.57	115,424.57	108,157.73	7,266.84
General Supplies	40,945.00	(5,295.57)	35,648.43	12,440.67	23,207.76
Total Care and Upkeep of Grounds	220,712.00	11,050.00	231,762.00	190,718.80	41,043.20
<b>Security:</b>					
Purchased Professional and Technical Services	47,160.00	75,600.00	122,760.00	121,314.00	1,446.00
General Supplies	22,173.92	(600.00)	21,573.92	9,445.02	12,128.90
Total Security	69,333.92	75,000.00	144,333.92	130,759.02	13,574.90
<b>Student Transportation Services:</b>					
Salaries for Pupil Transportation (Between Home and School) - Regular	125,086.00	4,000.00	129,086.00	128,982.21	103.79
Salaries for Pupil Transportation (Between Home and School) - Special	34,436.00	11,000.00	45,436.00	45,322.69	113.31
Salaries (Other than H & S)	122,798.00	37,400.00	160,198.00	160,181.03	6.97
Transportation- Other Purchased Prof & Tech	10,900.00	(1,000.00)	9,900.00	7,598.30	2,301.70
Cleaning, Repair and Maintenance Services	8,900.00	52,100.00	61,000.00	60,845.66	154.34
Lease Payments	30,644.00	29,311.72	59,955.72	59,124.48	831.24
Contracted Services - Aid in Lieu Payments-NonPub Sch	155,000.00	5,184.50	160,184.50	160,184.50	
Contracted Services (Between Home & School) - Vendors and School) - Vendors	615,000.00	(1,150.00)	613,850.00	588,645.19	27,204.81
Contracted Services (Other than Between Home and School) - Vendors	76,593.96	23,600.00	100,193.96	95,456.03	4,727.93
Contracted Services -(Spec.Ed. Students) - ESCs & CTSA	633,350.00	85,615.50	718,965.50	684,987.23	33,968.27
Miscellaneous Purchased Services - Transportation	17,475.00	(6,800.00)	10,675.00	6,333.07	4,341.93
General Supplies	1,800.00	(400.00)	1,400.00	757.23	642.77
Transportation Supplies	52,945.00	(51,100.00)	1,845.00	1,763.88	81.12
Other Objects	200.00	200.00	200.00	200.00	
Total Student Transportation Services	1,885,117.96	187,961.72	2,073,079.68	1,998,201.50	74,878.18
<b>Unallocated Benefits - Employee Benefits:</b>					
Social Security Contributions	753,105.00	(2,500.00)	750,605.00	732,199.86	18,405.14
Other Retirement Contributions - PERS	914,657.00	54,438.47	969,095.47	968,095.47	
Workmen's Compensation	215,583.00	17,137.00	232,720.00	230,587.00	2,133.00
Health Benefits	8,752,151.00	(666,636.32)	8,085,515.68	7,320,327.20	765,188.48
Tuition Reimbursements	87,000.00		87,000.00	67,175.71	19,824.29
Other Employee Benefits	15,210.00	15,210.00	15,210.00	11,974.29	3,235.71
Unused sick payment	105,000.00	17,707.14	122,707.14	122,707.14	
Total Unallocated Benefits - Employee Benefits	10,842,656.00	(679,852.71)	10,262,803.29	9,454,036.67	808,766.62

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
	\$	\$	\$	\$	
On-Behalf TPAF Contributions (Non-Budgeted):					
On-Behalf TPAF Contributions-non-budgeted				9,336,587.00	(9,336,587.00)
NCGI-non-budgeted				129,535.00	(129,535.00)
Post Retirement Medical-non budgeted				2,486,728.00	(2,486,728.00)
Long-Term Disability Insurance-non-budgeted				2,742.00	(2,742.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				1,948,683.69	(1,948,683.69)
Total On-Behalf TPAF Contributions (Non-Budgeted)				13,904,275.69	(13,904,275.69)
Total Undistributed Expenditures	29,613,964.98	337,042.67	29,951,007.65	42,057,374.20	(12,106,366.55)
TOTAL EXPENDITURES - CURRENT EXPENSE	55,780,639.60	352,555.00	56,133,194.60	67,278,496.03	(11,145,301.43)
Equipment:					
Grades 9-12 - Equipment	38,947.75	(1,800.00)	37,347.75	22,596.55	14,762.20
School Sponsored and Other Instructional Program	81,548.00	9,755.00	91,303.00	9,755.00	9,755.00
Undistributed-Req. Maint. For Schools	25,687.64	(250.44)	25,437.20	33,622.30	47,675.26
Undist. Expend. - Care and Upkeep of Grounds	147,183.39	250.44	147,433.83	6,687.64	20,250.44
Total Equipment	193,366.78	8,155.00	201,521.78	72,650.49	82,687.90
Facilities Acquisition and Construction Services:					
Legal Services	10,000.00		10,000.00		10,000.00
Architectural/engineering services	25,000.00		25,000.00		
Other purch prof & tech services	35,000.00		35,000.00		35,000.00
Construction services	395,189.00		395,189.00	207,651.76	187,337.24
Supplies & Materials	220,000.00		220,000.00	92,916.62	127,083.38
Lease purchase agreements - principal	176,950.00	(176,850.00)			
Other Objects	258.00	258.00	516.00	258.00	
Assessment for Debt Service on SDA Funding	29,934.00		29,934.00	29,934.00	
Total Facilities Acquisition and Construction Services	891,973.00	(176,592.00)	715,381.00	355,860.38	359,420.62
Interest Deposit to Capital Reserve	4,500.00		4,500.00		4,500.00
Assets acquired under installment purchases (non-budgeted)					
Undistributed expenditures:					
Equipment				774,669.58	(774,669.58)
Total assets acquired under installment purchases (non-budgeted)				774,669.58	(774,669.58)
TOTAL CAPITAL OUTLAY	1,043,656.39	(168,437.00)	875,219.39	1,203,280.45	(328,061.05)
TOTAL EXPENDITURES	56,824,295.99	184,118.00	57,008,413.99	68,481,776.48	(11,473,362.49)
Excess (deficiency) of revenues over (under) expenditures	(2,297,334.99)	(184,118.00)	(2,481,452.99)	1,058,878.96	3,540,331.95



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other financing sources (uses)				774,669.58	774,669.58
Proceeds from installment purchases (non-budgeted)				774,669.58	774,669.58
Total other financing sources	\$	\$	\$	\$	\$
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(2,297,334.99)	(184,118.00)	(2,481,452.99)	1,833,548.54	4,315,001.53
Fund balances, July 1	9,423,560.26		9,423,560.26	9,423,560.26	
Fund balances, June 30	7,126,225.27	(184,118.00)	6,942,107.27	11,257,108.80	4,315,001.53

Recapitulation:

- Assigned - year-end encumbrances \$ 686,029.20
- Restricted - excess surplus - current year 1,453,021.69
- Restricted - excess surplus - designated for subsequent year's expenditures 788,778.96
- Restricted - capital reserve 3,988,726.17
- Restricted - maintenance reserve 1,000,437.40
- Restricted - unemployment 496,033.72
- Unassigned fund balance 1,276,222.62
- Assigned - designated for subsequent years expenditures 1,617,859.04
- Reconciliation to governmental funds statements (GAAP): 11,257,108.80
- Lease revenue recognized on a GAAP basis 96,746.35
- Prior Year aid payment not recognized on GAAP basis (253,935.00)
- Fund balance per governmental funds (GAAP) \$ 11,059,920.15

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Other Sources	\$ 88,824.00	\$ 632,627.35	\$ 632,627.35	\$ 237,699.59	\$ (394,927.76)
State Sources		(8,846.00)	81,978.00	81,098.04	(879.96)
Federal Sources	1,495,046.00	377,087.03	1,872,133.03	1,496,159.10	(375,973.93)
<b>Total Revenues</b>	<b>\$ 1,583,870.00</b>	<b>\$ 1,002,868.38</b>	<b>\$ 2,586,738.38</b>	<b>\$ 1,814,956.73</b>	<b>\$ (771,781.65)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 82,782.00	\$ 85,544.00	\$ 85,544.00	\$ 60,477.00	\$ 25,067.00
Purchased Professional/Educational Services		(13,200.00)	69,582.00	69,582.00	
Purchased Professional/Technical Services		4,684.00	4,684.00	3,978.51	705.49
Tuition	532,931.00	155,510.00	688,441.00	688,441.00	
General Supplies	91,866.00	(18,646.46)	73,219.54	37,956.64	35,262.90
Textbooks	2,704.00	5,674.13	8,378.13	1,179.89	7,198.24
<b>Total Instruction</b>	<b>710,283.00</b>	<b>219,565.67</b>	<b>929,848.67</b>	<b>861,615.04</b>	<b>68,233.63</b>
Support Services:					
Purchased Services Employee Benefits		6,919.00	6,919.00	4,626.51	2,292.49
Purchased Professional/Technical Services		102,665.32	191,341.32	127,380.26	63,961.06
Purchased Property- Support	88,676.00	(4,695.00)	30,270.00	28,649.24	1,620.76
Other Purchased Services	34,965.00	6,795.00	144,345.00	103,543.12	40,801.88
Supplies and Materials	137,550.00	8,406.03	247,688.03	99,052.99	148,635.04
Scholarships	239,282.00	20,797.19	20,797.19	2,214.91	18,582.28
Student Activities		567,240.17	567,240.17	288,827.70	278,412.47
<b>Total Support Services</b>	<b>500,473.00</b>	<b>708,127.71</b>	<b>1,208,600.71</b>	<b>654,294.73</b>	<b>554,305.98</b>
Facilities Acquisition and Construction Service:					
Instructional Equip.		5,971.00	5,971.00	5,970.10	0.90
Non-Instructional Equip.	152,114.00	69,204.00	221,318.00	160,114.00	61,204.00
Construction services	221,000.00		221,000.00	207,586.00	13,414.00
<b>Total Facilities Acquisition and Construction Service</b>	<b>373,114.00</b>	<b>75,175.00</b>	<b>448,289.00</b>	<b>373,670.10</b>	<b>74,618.90</b>
<b>Total expenditures</b>	<b>\$ 1,583,870.00</b>	<b>\$ 1,002,868.38</b>	<b>\$ 2,586,738.38</b>	<b>\$ 1,889,579.87</b>	<b>\$ 697,158.51</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures				(74,623.14)	
Fund Balances, July 1,				371,617.89	
Fund Balances, June 30				296,994.75	
Recapitulation:					
Restricted:					
Scholarships	\$ 18,582.28				
Student Activities	278,412.47				
<b>Total Fund Balance</b>	<b>\$ 296,994.75</b>				

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI (REQUIRED SUPPLEMENTARY INFORMATION)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 69,540,655.44	\$ 1,814,956.73
<b>Difference - budget to GAAP:</b>		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	212,132.00	
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(253,935.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		10,749.17
Less prior year encumbrances canceled		(6,105.00)
Less current year encumbrances		(84,656.42)
Lease accounting budgetary basis differs from GAAP in that revenue for lease income is not recognized using present value.	<u>27,149.32</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 69,526,001.76</u>	<u>\$ 1,734,944.48</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$68,481,776.48	\$ 1,889,579.87
<b>Difference - budget to GAAP:</b>		
Adjust for encumbrances:		
Add prior year encumbrances		10,749.17
Less prior year encumbrances canceled		(6,105.00)
Less current year encumbrances		(84,656.42)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 68,481,776.48</u>	<u>\$ 1,809,567.62</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0620130944%	\$11,851,934	\$4,239,020	279.59%	48.72%
2014	0.0614885818%	11,512,344	4,270,359	269.59%	52.08%
2015	0.0652668655%	14,651,103	4,379,262	334.56%	47.92%
2016	0.0645415599%	19,115,359	4,469,881	427.65%	40.14%
2017	0.0666190900%	15,408,184	4,442,888	346.81%	48.09%
2018	0.0697247500%	13,728,456	5,042,435	272.26%	53.60%
2019	0.0720730011%	12,986,461	4,994,574	260.01%	56.27%
2020	0.0694671880%	11,328,282	5,103,963	221.95%	58.32%
2021	0.0722892384%	8,563,744	5,451,574	157.09%	70.33%
2022	0.0743204845%	11,215,984	5,402,022	207.63%	62.91%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	506,903	\$506,903	-0-	\$4,239,020	11.96%
2015	561,120	561,120	-0-	4,379,262	12.81%
2016	573,378	573,378	-0-	4,469,881	12.83%
2017	576,245	576,245	-0-	4,442,888	12.97%
2018	693,536	693,536	-0-	5,042,435	12.22%
2019	701,061	701,061	-0-	4,994,574	14.04%
2020	759,936	759,936	-0-	5,103,963	14.89%
2021	846,591	846,591	-0-	5,451,574	15.53%
2022	937,217	937,217	-0-	5,402,022	17.35%
2023	943,241	943,241	-0-	5,394,849	17.48%

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

Measurement Date Ending June 30	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of It's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.2158864422%	-0-	\$109,107,310	\$21,328,084	-0-	511.57%	33.76%
2014	0.2115480206%	-0-	113,065,532	22,379,398	-0-	505.22%	33.64%
2015	0.2179062605%	-0-	137,726,062	22,342,727	-0-	616.42%	28.71%
2016	0.2238181394%	-0-	176,069,599	23,002,506	-0-	765.44%	22.33%
2017	0.2206775019%	-0-	148,788,729	24,125,457	-0-	616.73%	25.41%
2018	0.2253959980%	-0-	143,390,567	24,377,339	-0-	588.21%	26.49%
2019	0.2250718717%	-0-	138,128,732	23,919,266	-0-	577.48%	26.95%
2020	0.2272173366%	-0-	149,619,882	24,492,880	-0-	610.87%	24.60%
2021	0.2182855716%	-0-	104,941,200	25,594,895	-0-	410.01%	35.52%
2022	0.2182855716%	-0-	116,050,508	26,473,450	-0-	438.37%	32.29%



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Public Employees Retirement System

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u>			
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

Teachers Pension and Annuity Fund

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount Rate	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u>			
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER  
THAN PENSIONS (GASB 75)**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE TOTAL  
 OPEB LIABILITY AND RELATED RATIOS  
 LAST SIX YEARS

	Measurement Date Ended June 30,					
	2022	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District						
Balance at 6/30	\$116,792,098	\$133,986,844	\$82,108,046	\$89,487,839	\$102,300,890	\$109,987,082
Changes for the year:						
Service cost	\$5,415,545	\$6,398,296	\$3,483,334	\$3,340,698	\$3,718,094	\$4,479,767
Interest	2,646,705	3,029,710	2,956,455	3,545,588	3,754,491	3,230,012
Changes of benefit terms and actual experience		(124,311)				
Differences between expected and actual experience	4,346,109	(24,304,557)	23,226,117	(13,044,559)	(7,706,288)	
Changes in assumptions or other inputs	(26,791,425)	115,224	24,474,792	1,224,238	(10,269,177)	(13,113,716)
Benefit payments	(2,621,639)	(2,386,563)	(2,332,601)	(2,520,472)	(2,392,873)	(2,369,506)
Contributions from Members	84,103	77,455	70,701	74,714	82,702	87,251
Net changes	(16,920,602)	(17,194,746)	51,878,798	(7,379,793)	(12,813,051)	(7,686,192)
Balance at 6/30	\$99,871,496	\$116,792,098	\$133,986,844	\$82,108,046	\$89,487,839	\$102,300,890
Covered Employee Payroll	31,875,472	31,046,469	29,596,843	28,913,840	29,419,774	28,568,345
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	339.47%	396.99%	455.43%	287.41%	304.18%	358.09%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms:

None.

Change in assumptions:

The following assumptions were used in calculating the Net OPEB Liability in their respective accounting periods:

<u>Measurement</u> <u>Date Ending</u> <u>June 30,</u>	<u>Discount</u> <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**





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

	ESSER II MENTAL	SDA EMERGENT NEEDS	IDEA BASIC ARP	IDEA PREK ARP	STUDENT ACTIVITIES	SCHOLARSHIPS
REVENUES:						
Local Sources	\$ 32,149.83	62,984.00	53,534.00	7,300.00	215,672.21	747.26
State Sources						
Federal Sources	32,149.83	62,984.00	53,534.00	7,300.00	215,672.21	747.26
Total Revenues						
Instruction:						
Salaries of Teachers						
Purchased Professional / Educational Services						
Purchased Professional / Technical Services			52,360.00	800.00		
Tuition						
General Supplies						
Textbooks						
Total Instruction			52,360.00	800.00		
Support Services:						
Personal Services Employee - Benefits						
Purchased Professional / Technical Services	28,231.24		67.00	6,193.00		
Purchased Property- Support			800.00			
Other purchased services	3,918.59		307.00	307.00		2,214.91
Supplies and Materials						
Scholarships						
Student Activities					288,827.70	
Total Support Services	32,149.83		1,174.00	6,500.00	288,827.70	2,214.91
Facilities acquisition and construction serv:						
Instructional Equip.						
Non-Instructional Equip.		62,984.00				
Construction services						
Total facilities acq. and construction serv:		62,984.00				
Total Expenditures	32,149.83	62,984.00	53,534.00	7,300.00	288,827.70	2,214.91
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	(75,155.49)	(1,467.65)
Fund Balances, July 1,					351,567.96	20,049.93
Fund Balances, June 30	-0-	-0-	-0-	-0-	278,412.47	18,582.28

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

	ACCELERATED LEARNING	SUMMER LEARNING	EVIDENCED BASED BEYOND SCHOOL	NON-TITLE I ESSEL III	NON-TITLE I ESSEL II	ARP NJTSS MENTAL HEALTH
	\$	\$	\$	\$	\$	\$
<b>REVENUES:</b>						
Local Sources						
State Sources	140,272.00	19,921.56	25,874.54	366,593.23	90,095.00	1,879.83
Federal Sources	140,272.00	19,921.56	25,874.54	366,593.23	90,095.00	1,879.83
<b>Total Revenues</b>						
	280,544.00	39,843.12	51,749.08	733,186.46	180,190.00	3,759.66
<b>Expenses:</b>						
Instruction:						
Salaries of Teachers		17,772.00	23,850.00	18,855.00		
Purchased Professional / Educational Services	69,582.00					
Purchased Professional / Technical Services						
Tuition		790.00				
General Supplies						
Textbooks						
<b>Total Instruction</b>	69,582.00	18,562.00	23,850.00	18,855.00		
<b>Support Services:</b>						
Personal Services Employee - Benefits		1,359.56		1,442.41		
Purchased Professional / Technical Services			1,824.54	25,430.00		
Purchased Property- Support					418.00	
Other purchased services	70,690.00			25,060.32		338.00
Supplies and Materials				88,219.50	547.00	1,541.83
Scholarships						
Student Activities						
<b>Total Support Services</b>	70,690.00	1,359.56	1,824.54	140,152.23	965.00	1,879.83
<b>Facilities acquisition and construction serv:</b>						
Instructional Equip.					89,130.00	
Non-Instructional Equip.				207,596.00		
Construction services						
<b>Total facilities acq. and construction serv:</b>					89,130.00	
<b>Total Expenditures</b>	140,272.00	19,921.56	25,874.54	366,593.23	90,095.00	1,879.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	-0-	-0-	-0-	-0-	-0-	-0-
Fund Balances, July 1,						
Fund Balances, June 30	-0-	-0-	-0-	-0-	-0-	-0-



## LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchases.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE	BALANCE
			DATE	AMOUNT		JUNE 30, 2022	JUNE 30, 2023
Refunding Bonds Series 2014	5/14/2014	13,970,000.00	3/1/2024	\$ 1,490,000.00	5.000%		
			3/1/2025	1,500,000.00	5.000%		
			3/1/2026	1,485,000.00	5.000%	\$ 5,970,000.00	\$ 4,485,000.00
						\$ 5,970,000.00	\$ 4,485,000.00

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASES  
AS OF JUNE 30, 2023

<u>SERIES</u>	<u>DATE</u>	<u>TERM</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL INSTALLMENT PURCHASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
Technology and Curricular Materials	6/15/2019	5	2.62%	350,000.00	142,357.47	\$	70,258.60	\$ 72,098.87
2020 Maintenance Truck and Technology	6/20/2020	5	1.87%	550,000.00	331,981.72		108,616.05	223,365.67
2021 Technology & Equipment	6/14/2021	3	1.00%	457,000.00	304,168.53		151,325.41	152,843.12
2021 Technology & Equipment	6/14/2021	5	1.16%	243,000.00	194,027.73		47,670.27	146,357.46
Copiers & Printers	10/27/2020	5	3.65%	205,297.29	151,096.24		40,201.10	110,895.14
2023 Technology & Equipment	7/1/2022	5	2.59%	380,000.00		380,000.00	76,383.80	303,616.20
2023 Technology & Equipment	7/1/2022	5	2.59%	480,000.00		480,000.00	99,411.12	380,588.88
					\$ 1,123,631.69	\$ 860,000.00	\$ 593,866.35	\$ 1,389,765.34

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>MODIFIED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES:</b>				
Local sources:				
Local tax levy	\$ 1,186,801.00	\$ 1,186,801.00	\$ 1,186,801.00	\$
State sources:				
Debt Service Aid Type II	<u>596,699.00</u>	<u>596,699.00</u>	<u>596,699.00</u>	
Total revenues	<u>1,783,500.00</u>	<u>1,783,500.00</u>	<u>1,783,500.00</u>	
<b>EXPENDITURES:</b>				
Regular debt service:				
Interest	298,500.00	298,500.00	298,500.00	
Redemption of principal	<u>1,485,000.00</u>	<u>1,485,000.00</u>	<u>1,485,000.00</u>	
Total regular debt service-expenditures	<u>1,783,500.00</u>	<u>1,783,500.00</u>	<u>1,783,500.00</u>	
Excess (deficiency) of revenues over (under) expenditures				
Fund balance, July 1	<u>0.38</u>	<u>0.38</u>	<u>0.38</u>	
Fund balance, June 30	<u>\$ 0.38</u>	<u>\$ 0.38</u>	<u>\$ 0.38</u>	<u>\$</u>

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**STATISTICAL SECTION**  
**(UNAUDITED)**

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
STATISTICAL SECTION

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Sources

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 51,984,998.86	\$ 54,300,921	\$ 50,262,303	\$ 50,016,965	\$ 49,526,421	\$ 47,522,832	\$ 46,183,660	\$ 43,899,322	\$ 41,730,079	\$ 41,311,030
Non-spendable	56,746	29,597								
Restricted	7,973,993	5,725,743	5,344,360	4,254,026	3,142,611	1,117,662	2,670,124	2,520,840	3,025,633	3,083,519
Unrestricted(deficit)	(9,744,057)	(10,604,184)	(12,988,114)	(14,380,930)	(13,880,798)	(14,459,625)	(14,041,721)	(13,017,523)	(1,118,304)	(1,031,436)
Total governmental activities net position	\$ 50,271,681	\$ 49,452,077	\$ 42,618,549	\$ 39,890,061	\$ 38,788,234	\$ 34,180,870	\$ 34,812,063	\$ 33,402,639	\$ 43,637,408	\$ 43,363,113
<b>Business-type activities</b>										
Net investment in capital assets	\$ 134,538	\$ 105,399	\$ 98,953	\$ 111,298	\$ 94,865	\$ 65,448	\$ 68,952	\$ 37,746	\$ 48,895	\$ 60,044
Unrestricted (deficit)	(158,372)	(177,440)	(107,956)	47,021	98,986	91,432	27,110	359	(49,280)	(46,179)
Total business-type activities net position	\$ (23,834)	\$ (72,041)	\$ (8,003)	\$ 158,319	\$ 193,951	\$ 156,880	\$ 96,062	\$ 38,105	\$ (385)	\$ 13,865
<b>District-wide</b>										
Net investment in capital assets	\$ 52,119,537	\$ 54,406,320	\$ 50,362,256	\$ 50,128,263	\$ 49,621,386	\$ 47,588,281	\$ 46,252,612	\$ 43,937,068	\$ 41,778,974	\$ 41,371,074
Non-spendable	56,746	29,597								
Restricted	7,973,993	5,725,743	5,344,360	4,254,026	3,142,611	1,117,662	2,670,124	2,520,840	3,025,633	3,083,519
Unrestricted(Deficit)	(9,902,429)	(10,781,624)	(13,096,070)	(14,333,909)	(13,781,812)	(14,368,193)	(14,014,611)	(13,017,164)	(1,167,584)	(1,077,615)
Total district net position	\$ 50,247,846	\$ 49,380,036	\$ 42,610,546	\$ 40,048,380	\$ 38,982,185	\$ 34,337,750	\$ 34,908,125	\$ 33,440,744	\$ 43,637,023	\$ 43,376,978

Source: ACFR Schedule A-1

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
CHANGES IN NET POSITION  
(accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 26,726,956	\$ 26,986,190	\$ 30,901,806	\$ 28,232,935	\$ 27,573,696	\$ 30,472,151	\$ 30,125,270	\$ 27,356,924	\$ 16,698,786	\$ 16,719,611
Special education	9,694,770	9,202,007	10,062,724	9,429,767	9,894,252	10,120,509	9,756,196	8,607,890	4,095,047	3,848,277
Other special instruction									385,388	339,713
Other instruction	2,686,506	2,752,069	2,769,774	2,584,978	2,806,214	2,946,080	2,813,804	2,519,404	1,299,367	1,230,652
Support Services:										
Tuition										
Student and instruction related services	10,126,286	9,818,067	10,778,728	9,812,711	9,082,887	9,985,929	9,545,193	8,586,876	1,460,886	1,662,143
General administration	1,663,938	1,780,264	1,802,139	1,628,355	1,622,297	1,547,282	1,457,381	1,377,435	5,321,878	5,025,924
School administrative services	2,559,867	2,572,239	3,199,423	2,858,509	2,879,600	3,255,411	3,228,452	2,794,094	1,176,379	1,032,140
General & business administration									2,475,861	2,455,098
Central services	1,194,184	1,127,615	1,366,239	1,256,986	1,266,084	1,364,059	1,309,192	1,052,684		
Plant operations and maintenance	5,781,402	6,272,373	5,844,665	5,126,665	5,288,410	5,970,093	4,843,150	4,843,150	3,563,551	3,270,281
Pupil transportation	2,154,638	1,876,479	1,683,246	1,384,919	1,634,271	1,634,394	1,666,499	1,856,029	11,856,736	11,295,272
Business and other support services									60,479	71,548
Special schools		107,051	114,895	107,327	121,576	121,379	117,083	42,143		
Charter Schools			24,564	28,533	28,533				746,260	742,994
Interest on long-term debt	295,101	357,423	434,989	519,886	610,114	652,931	670,812	705,024	1,145,177	2,248,192
Plant and equipment services									85,227	91,337
Unallocated amortization	1,418,139	1,405,706	1,414,930	1,423,935	1,385,011	1,311,418	1,311,418	1,048,801	52,051,736	51,676,952
Total governmental activities expenses	64,321,787	64,257,481	70,328,122	64,395,906	62,779,401	69,465,229	66,830,801	60,790,354		
Business-type activities:										
Food service	1,115,721	825,054	181,073	747,248	983,998	942,760	975,096	978,880	900,400	810,732
Total business-type activities expense	1,115,721	825,054	181,073	747,248	983,998	942,760	975,096	978,880	900,400	810,732
Total district expenses	\$ 65,437,507	\$ 65,082,536	\$ 70,509,194	\$ 65,143,154	\$ 63,763,400	\$ 70,397,990	\$ 67,806,897	\$ 61,769,234	\$ 62,952,136	\$ 52,487,684
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (Tuition)	\$ 6,917,367	\$ 6,297,074	\$ 6,081,830	\$ 5,656,965	\$ 5,523,407	\$ 5,942,789	\$ 6,382,210	\$ 5,904,850		
Operating grants and contributions	13,303,638	15,505,556	20,425,535	15,228,164	17,049,271	20,694,085	19,236,512	14,585,863		
Capital grants and contributions	318,423	7,093	7,093	167,293	279,230	9,931	766,548	288,242	570,485	549,731
Total governmental activities program revenues	20,539,428	21,802,630	26,514,458	21,050,382	22,851,908	26,646,805	26,385,270	20,788,955	570,485	549,731
Business-type activities:										
Charges for services:										
Food service	1,132,789	761,016	14,751	711,616	1,024,728	1,003,579	996,688	990,352	885,869	781,599
Total business-type activities program revenues	1,132,789	761,016	14,751	711,616	1,024,728	1,003,579	996,688	990,352	885,869	781,599
Total district program revenues	21,672,217	22,563,646	26,529,209	21,761,998	23,876,636	27,650,384	27,381,958	21,779,307	1,456,354	1,331,330
<b>Net (Expense)/Revenue</b>										
Governmental activities	(43,782,558)	(42,454,851)	(43,813,664)	(43,945,524)	(39,927,494)	(42,808,424)	(40,445,632)	(40,001,399)	(51,481,251)	(51,127,221)
Business-type activities	17,068	(64,039)	(166,322)	(35,532)	40,730	60,819	21,592	11,472	(14,531)	(29,133)
Total district-wide net expense	\$ (43,765,290)	\$ (42,518,890)	\$ (43,979,985)	\$ (43,981,156)	\$ (39,886,764)	\$ (42,747,605)	\$ (40,424,039)	\$ (39,989,927)	\$ (51,495,782)	\$ (51,156,354)



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 (modified accrual basis of accounting)  
 UNAUDITED

	Fiscal Year Ending June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Reserved										
Unreserved	56,746	29,597								
Nonspendable										
Restricted	7,676,998	5,354,125	5,032,567	4,254,026	3,142,611	2,369,236	2,886,629	2,777,633		
Assigned	2,303,888	1,136,438	1,104,503	1,215,486	1,256,634	513,220	319,514	202,183		
Unassigned	1,022,288	2,720,865	2,520,821	1,334,942	1,334,077	1,238,233	1,265,729	1,064,127		
Total general fund	\$ 11,059,920	\$ 9,241,025	\$ 8,657,891	\$ 6,804,454	\$ 5,733,323	\$ 4,120,689	\$ 4,471,872	\$ 4,043,943	\$ 3,715,503	\$ 3,856,803
All Other Governmental Funds										
Reserved										
Unreserved		371,618	311,793						5,084	12,109
Restricted	296,995						(25,080)			
Committed						1,199				
Unassigned					(31,247)					
Total all other governmental funds	\$ 296,995	\$ 371,618	\$ 311,793	\$ -	\$ (31,247)	\$ 1,199	\$ (25,080)	\$ 52,666	\$ 5,084	\$ 12,109

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS  
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
Tax levy	\$ 46,083,270	\$ 45,347,241	\$ 44,731,202	\$ 44,187,050	\$ 43,053,625	\$ 41,927,960	\$ 40,836,212	\$ 40,154,210	\$ 39,023,112	\$ 37,878,567
Transportation Fees from Individuals	99,200	83,700							4,936,257.00	4,824,779.00
Tuition Charges									5,068.00	12,324.00
Interest Earnings	7,345,000	6,666,446	6,486,630	6,414,792	6,277,035	6,541,825	6,914,558	6,323,270	460,807	442,311
Miscellaneous	18,087,148	16,014,324	13,445,284	11,637,543	11,094,696	9,625,205	9,227,285	8,248,468	6,946,856	6,103,497
State Sources	1,429,829	894,367	943,375	665,183	712,104	739,384	734,823	691,153	570,485	532,831
Federal Sources										
Total Revenue	73,044,446	69,006,078	65,806,491	62,924,569	61,137,460	58,834,374	57,712,878	55,417,100	51,942,585	49,794,309
<b>Expenditures</b>										
Instruction										
Regular Instruction	18,936,170	18,148,381	17,570,390	17,104,944	16,062,430	16,623,743	16,368,073	16,183,260	15,592,164	15,707,516
Special Education Instruction	6,130,340	5,930,016	5,725,778	5,550,351	5,598,408	5,373,638	5,161,050	4,845,496	3,983,191	3,724,107
Other Special Instruction									376,066	329,722
Other Instruction	1,949,067	1,954,856	1,655,021	1,671,766	1,775,372	1,693,239	1,648,679	1,616,179	1,256,753	1,184,975
School Sponsored Activities and Athletics										
Support Services:										
Tuition	1,686,453	1,241,972	1,249,246	1,469,636	1,484,196	1,441,486	1,505,847	1,555,706	1,460,896	1,562,143
Student & Instruction Related Services	7,180,400	6,668,645	6,553,108	6,211,932	5,510,547	5,509,916	5,333,565	5,229,975	5,064,370	4,778,625
Educational Media / School Library										
General Administration	1,386,777	1,452,672	1,378,126	1,272,893	1,269,162	1,128,893	1,025,027	1,033,871	1,116,454	967,914
School Administrative Services	1,940,815	1,977,535	2,036,996	1,928,381	1,851,717	1,873,043	1,864,630	1,766,608	2,394,629	2,368,036
Central Services	983,113	1,045,514	985,040	921,051	976,864	980,807	916,884	697,172		
Plant Operations and Maintenance	3,819,990	4,104,906	3,654,364	3,527,076	3,527,716	3,559,123	3,347,766	3,329,192	3,433,047	3,166,110
Pupil Transportation	1,998,202	1,694,906	1,535,364	1,313,776	1,620,039	1,529,642	1,591,256	1,710,009	1,604,803	1,566,699
Other Support Services										
Unallocated Benefits	23,358,312	20,807,189	19,011,190	17,287,862	16,551,269	15,855,365	14,163,762	13,218,359	11,856,736	11,295,272
Capital Outlay	1,521,704	1,241,804	1,000,225	1,306,593	950,198	3,005,022	3,646,596	1,590,527	1,354,839	1,993,312
Special Schools		71,475	65,000	64,859	69,170	64,584	62,231	42,143	57,816	68,694
Charter Schools			24,564	28,533						
Special Revenue Funds										
Debt Service:										
Principal	1,485,000	2,237,982	2,167,516	2,046,551	2,027,266	2,021,378	1,585,000	1,565,000	1,650,000	1,425,000
Interest and Other Charges	298,500	342,600	426,650	509,975	579,225	623,075	664,400	729,613	637,333	898,083
Total expenditures	72,074,844	68,920,452	65,039,780	62,215,169	59,843,578	61,282,955	58,884,767	55,113,110	52,419,759	51,566,039
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	969,602	85,626	566,711	708,400	1,293,881	(2,448,582)	(1,171,889)	303,990	(477,174)	(1,801,730)
Other Financing Sources (Uses)										
Proceeds from Refunding Bonds										
Installment Purchases (Non-Budgeted)										
Retired Prior Year Revenue	774,670	557,334	811,587	322,431	350,000	2,064,953	1,597,096	158,928	383,446	868,366
Cancelled SDA Grant							(27,000)			
Transfers Out										
Total Other Financing Sources (Uses)	774,670	557,334	811,587	322,431	350,000	2,064,953	1,570,096	158,928	354,446	868,366
Net Change in Fund Balances	\$ 1,744,272	\$ 642,959	\$ 1,378,288	\$ 1,030,831	\$ 1,643,881	\$ (383,629)	\$ 398,208	\$ 462,918	\$ (122,728)	\$ (933,364)
Debt Service as a Percentage of Noncapital Expenditures	2.53%	3.81%	4.05%	4.20%	4.43%	4.54%	4.07%	4.29%	4.48%	4.67%

Source: ACFR Schedule B-2  
 \* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT "J-5"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	4,824,779		5,640	54,272	366,539	5,251,230
2015	4,936,257		1,950	67,363	387,901	5,393,471
2016	5,904,850		21,018	57,367	335,129	6,318,364
2017	6,382,210		25,889	89,705	410,896	6,908,700
2018	5,947,584		73,595	141,349	350,263	6,512,791
2019	5,523,407		164,142	183,918	267,731	6,139,197
2020	5,656,965		124,852	142,966	298,451	6,223,234
2021	5,886,244		17,958	120,013	251,298	6,275,513
2022	5,990,556	178,930	15,713	168,967	157,533	6,511,699
2023	6,602,495	99,200	150,006	195,973	34,592	7,082,266

Source: District Records



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 UNAUDITED.

Calendar Year	Vacant Land	Residential	FARM	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities. <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate. <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	22,262,900	1,358,947,250	420	338,365,000	37,958,900	5,400,000	1,762,934,470	970,767	1,763,905,237	2.236	3,153,728,533
2015	21,578,100	1,363,668,850	420	340,868,600	37,845,550	5,400,000	1,769,461,520	1,001,980	1,770,463,500	2.230	3,139,569,766
2016	21,514,700	1,370,401,350	420	376,331,600	37,612,350	5,822,900	1,811,683,320	1,748,125	1,813,431,445	2.898	3,293,370,878
2017	18,151,100	1,376,587,950	420	383,683,800	34,709,350	5,822,900	1,818,955,520	949,329	1,819,904,849	2.234	3,357,138,626
2018	21,774,500	1,382,094,250	420	385,811,800	31,409,350	5,822,900	1,826,907,220	967,049	1,827,874,269	2.330	3,338,583,140
2019	21,359,300	1,387,454,700	420	381,866,700	31,409,350	5,822,900	1,827,913,370	946,798	1,828,860,168	2.325	3,445,478,839
2020	22,846,500	1,388,780,600	420	385,636,500	31,409,350	5,822,900	1,835,486,270	958,488	1,836,454,758	2.241	3,488,043,225
2021	23,432,400	1,394,831,800	420	381,442,700	35,681,150	5,822,900	1,841,211,370	1,003,954	1,842,215,324	2.445	3,488,043,225
2022	23,674,400	1,401,313,000	420	385,769,200	33,776,850	5,822,900	1,850,366,770	949,104	1,851,305,874	2.470	3,695,750,961
2023	32,611,400	1,404,752,500	420	362,843,000	33,776,850	5,822,900	1,839,807,070	929,335	1,840,736,405	2.528	3,987,509,877

Source: District records Tax list summary & Municipal Tax Assessor

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

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

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

*(rate per \$100 of assessed value)*

UNAUDITED

Calendar Year Ended Dec. 31	Berkeley Heights Public Schools	Berkeley Heights Township	Union County	Total
2014	2.180	0.718	0.946	3.844
2015	2.236	0.750	0.961	3.947
2016	2.230	0.760	0.980	3.970
2017	2.270	0.760	1.000	4.030
2018	2.325	0.788	0.977	4.090
2019	2.390	0.810	0.980	4.180
2020	2.420	0.810	0.970	4.200
2021	2.445	0.831	0.900	4.176
2022	2.470	0.849	0.880	4.199
2023	2.528	0.872	0.825	4.225

Source: District Records and Municipal Tax Collector

**Note:**

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

- a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable
- b Rates for debt service are based on each year's requirements.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Alcatel Lucent	76,065,000	1	4.11%	86,065,000	1	4.88%
The Connell Company	49,437,400	2	2.67%	37,500,000	2	2.13%
The Connell Corporate Center 1 LLC	35,386,800	3	1.91%	26,400,000	4	1.50%
Welltower OM Group LLC	33,101,000	4	1.79%			
200 Connell LLC	25,507,900	5	1.38%			
Connell East LLC	18,518,300	6	1.00%	18,518,300	7	1.05%
SIG Mountain LLC	16,526,400	7	0.89%			
Connell Hospitality LLC	14,500,000	8	0.78%			
The Connell Company LTF RE CO INC	12,351,800	9	0.67%	15,801,000	8	0.90%
Berkeley Development, LP	11,603,400	10	0.63%	9,000,000	9	0.51%
BB#1-28526-BZS001,CBRE				24,200,000	5	1.37%
Connell Company				20,200,000	6	1.15%
Diamond Hill JT. Vent. C/O Summit Med				33,101,000	3	1.88%
Free Acres Assoc.				7,490,000	10	0.42%
Total	\$ 292,998,000		15.83%	\$ 278,275,300		15.78%

Source: District ACFR J11 and Municipal Tax Assessor

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 37,878,567	\$ 37,878,567	100.00%	
2015	\$ 39,023,112	\$ 39,023,112	100.00%	
2016	\$ 38,458,663	\$ 38,458,663	100.00%	
2017	\$ 40,836,212	\$ 40,836,212	100.00%	
2018	\$ 41,927,960	\$ 41,927,960	100.00%	
2019	\$ 43,053,625	\$ 43,053,625	100.00%	
2020	\$ 44,187,050	\$ 44,187,050	100.00%	
2021	\$ 44,731,202	\$ 44,731,202	100.00%	
2022	\$ 45,347,241	\$ 45,347,241	100.00%	
2023	\$ 46,083,270	\$ 46,083,270	100.00%	

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

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

EXHIBIT "J-10"

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchase Agreements				
2014	\$ 19,325,000.00	\$ 1,297,262.00	\$	20,622,262.00	13,294	1,551
2015	17,675,000.00	1,315,556.00		18,990,556.00	13,351	1,422
2016	16,110,000.00	1,604,280.35		17,714,280.35	13,359	1,326
2017	14,525,000.00	4,016,392.16		18,541,392.16	13,441	1,379
2018	12,910,000.00	3,047,637.24		15,957,637.24	13,430	1,188
2019	11,275,000.00	2,413,703.64		13,688,703.64	13,468	1,016
2020	9,570,000.00	2,121,935.44		11,691,935.44	13,371	874
2021	7,810,000.00	2,139,792.07		9,949,792.07	13,313	747
2022	5,970,000.00	1,123,631.69		7,093,631.69	13,169	539
2023	4,485,000.00	1,389,765.34		5,874,765.34	13,071	449

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

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

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deduction s	Net General Bonded Debt Outstanding			
2014	\$ 19,325,000.00	-0-	\$ 19,325,000.00	1,762,934,470.00	1.10%	1,453.66
2015	17,675,000.00	-0-	17,675,000.00	1,769,461,520.00	1.00%	1,323.87
2016	16,110,000.00	-0-	16,110,000.00	1,811,683,320.00	0.89%	1,205.93
2017	14,525,000.00	-0-	14,525,000.00	1,818,955,520.00	0.80%	1,080.65
2018	12,910,000.00	-0-	12,910,000.00	1,826,907,220.00	0.71%	961.28
2019	11,275,000.00	-0-	11,275,000.00	1,827,913,370.00	0.62%	837.17
2020	9,570,000.00	-0-	9,570,000.00	1,835,496,270.00	0.52%	715.73
2021	7,810,000.00	-0-	7,810,000.00	1,841,211,370.00	0.42%	586.64
2022	5,970,000.00	-0-	5,970,000.00	1,850,356,770.00	0.32%	453.34
2023	4,485,000.00	-0-	4,485,000.00	1,839,807,070.00	0.24%	343.13

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

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

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

TOWNSHIP OF BERKELEY HEIGHTS 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 <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Berkeley Heights Township	\$ 52,349,531	100.00%	\$ 52,349,531
Other debt			
Union County	535,795,259	3.99%	<u>21,378,231</u>
Subtotal, overlapping debt			73,727,762
Berkeley Heights School District Direct Debt	4,485,000	100.00%	<u>4,485,000</u>
Total direct and overlapping debt			<u>\$ 78,212,762</u>

Sources: Township Chief Financial Officer and County Treasurer's Office

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

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

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 128,033,797	\$ 126,368,764	\$ 126,969,328	\$ 129,154,391	\$ 132,664,307	\$ 134,747,538	\$ 136,478,841	\$ 136,857,180	\$ 138,204,319	\$ 141,177,407
Total net debt applicable to limit	19,325,000	17,675,000	16,110,000	16,110,000	12,910,000	11,275,000	9,570,000	7,810,000	5,970,000	4,485,000
Legal debt margin	\$ 108,708,797	\$ 108,693,764	\$ 110,859,328	\$ 113,044,391	\$ 119,744,307	\$ 123,472,538	\$ 126,908,841	\$ 129,047,180	\$ 132,234,319	\$ 136,692,407
Total net debt applicable to the limit as a percentage of debt limit	15.09%	13.99%	12.69%	12.47%	9.73%	8.37%	8.37%	5.71%	5.71%	3.18%

	2022	2021	2020
Equalized valuation basis	\$ 3,694,801,857	3,542,835,039	3,350,668,620
	[A]		
Average equalized valuation of taxable property	\$ 3,529,435,172	[A/3]	
Debt limit (4% of average equalization value)	\$141,177,407 <sup>a</sup>	[B]	
Net bonded school debt	4,485,000	[C]	
Legal debt margin	\$ 136,692,407	[B-C]	

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

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



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year Ended</u> <u>December 31</u>	<u>Unemployment Rate</u>	<u>Per Capita</u> <u>Income</u>	<u>Population</u>
2013	4.4%	54,382	13,294
2014	3.7%	57,306	13,351
2015	3.7%	60,089	13,359
2016	3.5%	61,808	13,441
2017	3.1%	61,624	13,430
2018	2.9%	64,413	13,468
2019	2.5%	68,262	13,371
2020	6.4%	70,865	13,313
2021	4.8%	72,543	13,169
2022	2.6%	77,007	13,071

Source: N.J. Department of Labor



TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	201	203	204	204	204	203	204	205	210	210
Special education	27	29	30	32	34	36	37	40	42	46
Other special education	23	24	25	25	26	27	27	27	30	35
Vocational	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	27	28	28	29	29	29	29	29	32	31
General administration	3	3	3	3	3	3	3	3	4	4
School administrative services	9	9	9	9	9	9	9	9	9	9
Other Administrative Services	7	7	7	7	7	6	7	8	8	8
Central services	5	5	5	5	5	5	5	5	6	8
Administrative Information Technology	6	6	6	7	6	6	6	6	6	6
Plant operations and maintenance	32	32	32	32	32	32	32	32	32	33
Pupil transportation	7	7	7	7	7	7	6	6	6	6
Other Support Services	61	58	63	65	62	63	65	70	68	60
Food Service	9	8	8	7	7	7	7	4		
<b>Total</b>	<b>427</b>	<b>415</b>	<b>412</b>	<b>418</b>	<b>420</b>	<b>422</b>	<b>430</b>	<b>447</b>	<b>456</b>	<b>459</b>

Source: District Personnel Records

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 OPERATING STATISTICS  
 UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2014	2,710	47,369,644	17,480	2.34%	294	14:1	12:1	11:1	2,696	2,585	-1.06%	95.88%
2015	2,684	48,777,587	18,173	3.97%	297	14:1	12:1	11:1	2,666	2,561	-1.10%	96.05%
2016	2,681	51,227,970	19,108	5.14%	299	14:1	12:1	11:1	2,671	2,568	0.17%	96.14%
2017	2,700	52,988,771	19,625	2.71%	300	14:1	12:1	11:1	2,700	2,589	1.09%	95.89%
2018	2,622	56,039,858	21,373	8.90%	302	14:1	12:1	11:1	2,622	2,501	-2.90%	95.40%
2019	2,574	56,679,156	22,020	3.03%	303	14:1	12:1	11:1	2,572	2,461	-1.89%	95.68%
2020	2,553	58,694,601	22,990	4.41%	305	14:1	12:1	11:1	2,559	2,473	-0.51%	96.64%
2021	2,477	61,852,905	24,971	8.61%	307	7.8:1	7.6:1	8.7:1	2,494	2,420	-2.54%	97.03%
2022	2,481	65,098,066	26,239	5.08%	308	8.1:1	7.4:1	8.7:1	2,506	2,387	0.48%	95.25%
2023	2,444	68,769,640	28,138	7.24%	311	8:1	9:1	9:1	2,493	2,362	-0.52%	94.75%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures (modified accrual) 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 Cost per pupil represents operating expenditures divided by enrollment.

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION

UNAUDITED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Mary Kay McMillin School (1961)										
Square Feet	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137	40,137
Capacity (students)	332	332	332	332	332	332	332	332	332	332
Enrollment	327	329	346	338	326	313	338	304	295	244
Hughes School (1953)										
Square Feet	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	275	261	258	289	270	276	283	264	313	276
Mountain Park (1958)										
Square Feet	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092	43,092
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	251	241	228	220	229	230	239	243	202	223
Woodruff School (1961)										
Square Feet	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820	38,820
Capacity (students)	235	235	235	235	235	235	235	235	235	235
Enrollment	227	219	245	240	207	202	184	180	229	234
<u>Middle School</u>										
Columbia										
Square Feet	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610	109,610
Capacity (students)	665	665	665	665	665	665	665	665	665	665
Enrollment	615	593	570	554	566	597	583	545	542	560
<u>High School</u>										
Governor Livingston										
Square Feet	186,983	186,983	186,983	186,983	186,983	186,983	189,983	186,983	186,983	186,983
Capacity (students)	903	903	903	903	903	903	903	903	903	903
Enrollment	1,015	1,041	1,034	1,064	1,024	963	940	941	940	907
Number of Schools at June 30, 2023										
Elementary -	4									
Middle School -	1									
Senior High School -	1									
	<u>6</u>									

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 UNAUDITED

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governor Livingston High School	N/A	\$ 322,434	\$ 382,360	\$ 313,006	\$ 361,357	\$ 318,159	\$ 370,922	\$ 344,644	\$ 324,254	\$ 298,942	\$ 266,822
Columbia Middle School	N/A	201,139	196,944	250,612	226,982	198,014	192,028	160,123	213,589	202,174	163,718
T.P. Hughes Elementary School	N/A	56,434	76,740	131,570	76,664	62,516	108,547	85,760	68,066	66,625	52,748
Mary Kay McMillin School	N/A	82,680	93,822	114,892	98,142	80,628	59,897	70,624	81,516	82,614	66,371
Mountain Park Elementary School	N/A	65,084	88,535	126,841	103,487	73,033	92,602	77,066	79,976	84,360	59,246
Woodruff Elementary School	N/A	76,324	72,937	105,892	67,912	60,298	85,979	63,213	76,811	77,108	59,636
Total School Facilities		804,095	911,338	1,042,813	934,544	792,648	909,975	801,430	844,212	811,823	668,541
Grand Total		\$ 804,095	\$ 911,338	\$ 1,042,813	\$ 934,544	\$ 792,648	\$ 909,975	\$ 801,430	\$ 844,212	\$ 811,823	\$ 668,541

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

	<u>LIMITS</u>	<u>DEDUCTIBLE</u>
<u>Blanket Building and Contents</u>	\$ 146,353,356	1,000
Boiler & Machinery		
Flood - Outside 100 Year Flood Zone	1,000,000	25,000
Flood - Inside 100 Year Flood Zone		
*Please note that 3-55 Fairfax Drive, Berkeley Heights NJ is limited to \$250,000 with a \$25,000 deductible.		
 ENVIRONMENTAL POLICY		
<u>Environmental Impairment Liability (Group Aggregate)</u>	1,000,000	10,000
Each Impairment Aggregate limit per Insured:		
 GENERAL LIABILITY COVERAGES		
<u>Each Occurrence Limit</u>	1,000,000	
Personal and Advertising Injury Limit	1,000,000	
General Aggregate Limit	3,000,000	
Products/Completed Operations, Aggregate Limit	3,000,000	
Damage to Premises Rented to You	1,000,000	
Medical Expense Limit	10,000	
 AUTOMOBILE		
<u>Liability</u>	1,000,000	
Uninsured/Underinsured Motorists	1,000,000	
Comprehensive and Collision Deductibles		\$1,000-\$3,000
 PROFESSIONAL LIABILITY POLICY		
<u>School Board Legal Liability Limit</u>	1,000,000	5,000
Employment Related Practices Limit	1,000,000	5,000
 CRIME		
<u>Employee Dishonesty-per employee</u>	100,000	1,000
Forgery & Alteration	100,000	
 STATUTORY BONDS		
Public Official Bond -Bus Admn/Treasurer	300,000	
 UMBRELLA LIABILITY		
Limit of Liability	15,000,000	
 EXCESS UMBRELLA		
NJ Unshared Excess Liability	20,000,000	

TOWNSHIP OF BERKELEY HEIGHTS SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2023  
UNAUDITED

Disability Insurance-Athletic	1,000,000	
Student Accident Full Excess Plan	5,000,000	
Volunteer Accident Full Excess Plan	500,000	
Cyber Liability	1,000,000	15,000
Privacy Liability	1,000,000	15,000
Legal & Regulatory Costs Coverage	1,000,000	15,000
Security & Forensic Costs Coverage	1,000,000	15,000
Management Liability	1,000,000	15,000
Multimedia Liability - Defamation	1,000,000	15,000
Cyber Extortion	1,000,000	15,000
Business Income and Extra Expense	1,000,000	15,000
PCI Fines, Penalties & Assessments	1,000,000	15,000
Workers Compensation	500,000	
Self Insured Retention	500,000	
Bi By Accident-Each Accident	1,000,000	
BI by Disease-Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	

\* Denotes insurance representative has reviewed this information



**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members  
of the Board of Education  
Township of Berkeley Heights School District  
County of Union  
Berkeley Heights, New Jersey 07922

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 the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Berkeley Heights School District, in the County of Union, State of New Jersey (the "District") as of and for the 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 January 22, 2024.

***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.

## SUPLEE, CLOONEY & COMPANY LLC

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted instances of noncompliance that we have reported to the District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated January 22, 2024.

### ***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.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

January 22, 2024



**SUPLEE, CLOONEY & COMPANY LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members  
of the Board of Education  
Township of Berkeley Heights School District  
County of Union  
Township of Berkeley Heights, New Jersey 07922

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

***Opinion on Each Major Federal and State Program***

We have audited Township of Berkeley Heights School District, County of Union, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

## SUPLEE, CLOONEY & COMPANY LLC

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.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement 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 or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, 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 the New Jersey OMB State Grant Compliance Supplement, 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.

## SUPLEE, CLOONEY & COMPANY LLC

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.

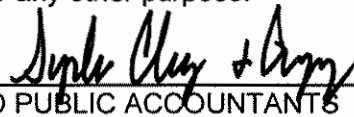
### Report on Internal Control over Compliance

*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 and the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

January 22, 2024

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

ASSISTANCE LIVING NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT OR STATE PROJECT NUMBER	AVARIO AMOUNT	GRANT PERIOD ESOM	I.D.	BALANCE JUNE 30, 2022 (ACCOUNTS RECEIVABLE) UNEARNED REVENUE	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2023	
													(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
84-367	S367A200029	ESEA031022	29,038.00	07/01/2022	06/30/2023			\$12,010.00	\$57,730.26				\$18,710.26	
84-365	S365A200030	ESEA031022	19,934.00	07/01/2022	06/30/2023			3,666.00	(6,269.40)				(3,203.40)	
84-365	S365A170030	ESEA031022	8,053.00	07/01/2022	06/30/2023			15,076.00	(23,989.60)				(8,913.60)	
84-027	S227A190100	IDEA031020	539,741.00	07/01/2021	06/30/2022			8,469.92		\$8,105.00				
84-027	S227A200100	IDEA031021	556,200.00	07/01/2022	06/30/2023			\$14,564.92					(36,470.01)	
84-173	S173A190114	IDEA031020	25,060.00	07/01/2021	06/30/2022			2,068.41	(951,004.45)					
84-027X	H027X20100	IDEA031021	22,369.00	07/01/2022	06/30/2023			22,190.00	(22,235.00)				(46.00)	
84-173X	H173A201014	H173A201014	107,261.00	07/01/2021	06/30/2022			83,367.96	(53,534.00)					
			9,193.00	07/01/2021	06/30/2022			7,800.44	(7,302.00)					
								638,421.19	(634,073.45)	6,105.00			(36,515.01)	
								(46,867.75)						
84-425D	S425D100027	21-5120-518	45,000.00	03/13/2020	09/30/2023			19,630.00	(32,149.83)				(12,619.63)	
84-425D	S425D100027	21-5120-518	279,630.00	03/13/2020	09/30/2023			90,095.00	(90,095.00)					
84-425U	S425U100027	21-5120-518	599,261.00	01/01/2022	12/31/2022			228,205.00	(966,593.23)				(136,388.23)	
84-425U	S425U100027	21-5120-523	169,582.00	03/13/2020	09/30/2024			140,272.00	(140,272.00)					\$0.44
84-425U	S425U100027	21-5120-523	40,000.00	03/13/2020	09/30/2024			19,922.00	(19,921.56)					
84-425U	S425U100027	21-5120-523	40,000.00	03/13/2020	09/30/2024			24,635.00	(26,674.54)				(1,679.54)	
84-425U	S425U100027	21-5120-523	45,000.00	03/13/2020	09/30/2024			1,733.00	(1,679.83)				(146.83)	
84-425U	S425U100027	21-5120-523	45,000.00	03/13/2020	09/30/2024			524,592.00	(676,586.99)				(152,834.43)	0.44
								1,178,089.19	(1,344,649.10)	6,105.00			(209,263.10)	0.44
								(47,867.75)						
21-027	S19FD00E16ES	N/A	151,510.00	07/01/2022	06/30/2023			75,755.00	(151,510.00)				(75,755.00)	
								75,755.00	(151,510.00)				(75,755.00)	
								1,253,844.19	(1,496,159.10)	6,105.00			(284,018.10)	0.44
								\$1,253,844.19	(\$1,496,159.10)	\$6,105.00			(\$284,018.10)	\$0.44

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

Special Revenue Funds  
U.S. Department of Education  
Passed-Through State Department of Education  
E.S.E.A.  
Title IA  
Title III  
Title III Immigrant  
Total E.S.E.A.

I.D.E.A. Part B Special Education Cluster  
I.D.E.A. Part B Basic  
I.D.E.A. Part B - Preschool  
I.D.E.A. Part B - Preschool  
I.D.E.A. Part B - Preschool  
I.D.E.A. Part B - Basic-ARP  
I.D.E.A. Part B - Preschool-ARP  
Total I.D.E.A. Part B Special  
Education Cluster

Education Stabilization Fund  
Corona Virus Relief Fund  
CR Mental Health  
CR Non Title I  
CR Non Title I  
Accelerated Learning Coach and  
Coaching Support  
Evidence Based Summer Learning  
and Enrichment Activities  
Evidence Based Comprehensive Beyond  
the School Day Activities  
NJSES Mental Health Support Staffing  
Total Education Stabilization Fund

Total U.S. Department of Education

U.S. Department of Treasury  
Passed-Through State Department of Education  
Corona Virus Relief Fund  
ACSERS

Total U.S. Department of Treasury

Total Special Revenue Fund

Total Federal Financial Assistance

TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2022		CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2023		CUMULATIVE TOTAL EXPENDITURES
			FROM	TO	(ACCOUNTS RECEIVABLE UNEARNED REVENUE)	(ACCOUNTS RECEIVABLE UNEARNED REVENUE)								
State Department of Education														
Stambol Funds														
State Aid Cluster:														
Special Education Aid	23-495-034-5120-069	\$2,102,100.00	07/01/2022	06/30/2023			\$1,887,838.00	(\$2,102,100.00)	\$204,262.00			\$204,262.00	\$2,102,100.00	
Security Aid	23-495-034-5120-084	40,862.00	07/01/2022	06/30/2023			36,005.00	(40,862.00)	3,873.00			3,873.00	40,862.00	
Total State Aid Cluster							1,924,747.00	(2,142,962.00)	208,235.00			208,235.00	2,142,962.00	
Transportation Aid	23-495-034-5120-014	470,303.00	07/01/2022	06/30/2023			424,603.00	(470,303.00)	45,700.00			45,700.00	470,303.00	
Non-Public Transportation Aid	23-495-034-5120-014	50,232.00	07/01/2022	06/30/2023			42,340.00	(50,232.00)				50,232.00	50,232.00	
State Reimbursement Security our Schools(Alyssa)	22-495-034-5120-014	42,340.00	07/01/2021	06/30/2022									42,340.00	
Extraordinary Aid	23-495-034-5120-104	147,109.00	07/01/2022	06/30/2023			147,109.00	(147,109.00)					147,109.00	
Extraordinary Aid	23-100-034-5120-473	784,118.00	07/01/2021	06/30/2022			784,118.00	(748,934.00)				748,934.00	784,118.00	
On-behalf TPAF Contributions	23-495-034-5094-002	9,336,587.00	07/01/2022	06/30/2023			9,336,587.00	(9,336,587.00)					9,336,587.00	
NCGI	23-495-034-5094-004	129,535.00	07/01/2022	06/30/2023			129,535.00	(129,535.00)					129,535.00	
Post Retirement Medical	23-495-034-5094-001	2,466,728.00	07/01/2022	06/30/2023			2,466,728.00	(2,466,728.00)					2,466,728.00	
Long-Term Disability Insurance	23-495-034-5094-000	2,742.00	07/01/2022	06/30/2023			2,742.00	(2,742.00)					2,742.00	
TPAF Social Security Aid	23-495-034-5095-003	1,948,683.69	07/01/2022	06/30/2023			1,851,859.42	(1,948,683.69)				96,824.27	1,948,683.69	
TPAF Social Security Aid	22-495-034-5095-003	1,908,091.33	07/01/2021	06/30/2022			86,758.13					(86,758.13)	1,908,091.33	
Total General Fund							17,227,126.55	(17,464,935.69)	253,935.00			(896,990.27)	1,359,165.27	
Special Revenue Fund:														
NJ Nonpublic Aid														
Technology Aid	23-100-034-5120-373	756.00	07/01/2022	06/30/2023			756.00	(649.99)				\$106.01	649.99	
Technology Aid	22-100-034-5120-373	2,226.00	07/01/2021	06/30/2022							(202.21)		2,226.00	
Security Aid	23-100-034-5120-509	756.00	07/01/2022	06/30/2023			3,650.00	(3,690.00)					756.00	
Security Aid	22-100-034-5120-509	9,275.00	07/01/2021	06/30/2022							(83,055.00)		9,275.00	
Textbook Aid	23-100-034-5120-064	756.00	07/01/2022	06/30/2023			1,188.00	(1,179.89)				8.11	747.89	
Textbook Aid	22-100-034-5120-064	3,181.00	07/01/2021	06/30/2022							(137.27)		3,181.00	
Nursing	23-100-034-5120-070	756.00	07/01/2022	06/30/2023			2,016.00	(1,855.65)				60.35	695.65	
Nursing	22-100-034-5120-070	5,936.00	07/01/2021	06/30/2022							(381.52)		5,936.00	
Handicapped Services:														
Supplemental Instruction	23-100-034-5120-068	756.00	07/01/2022	06/30/2023			1,652.00					1,652.00	(896.00)	
Supplemental Instruction	22-100-034-5120-068	4,130.00	07/01/2021	06/30/2022							(3,634.40)		405.60	
Examination & Classification	23-100-034-5120-068	756.00	07/01/2022	06/30/2023			4,356.00	(3,976.51)				379.49	376.51	
Examination & Classification	22-100-034-5120-068	3,752.00	07/01/2021	06/30/2022							(759.66)			
Connective Speech	22-100-034-5120-066	1,860.00	07/01/2021	06/30/2022							(1,860.00)		3,032.34	
Climate Change	23-100-034-5063-359	8,660.00	04/01/2023	06/30/2023			6,660.00	(6,660.00)						
SDA Emergent Needs	22-100-034-5120-519	62,984.00	07/01/2022	06/30/2023			61,204.00	(62,984.00)				\$61,204.00	7,100.06	
Total Special Revenue Fund							81,524.00	(81,088.04)	(10,930.06)			61,204.00	2,205.96	39,883.38

The accompanying notes to schedules of financial assistance are an integral part of this schedule.



TOWNSHIP OF BERKELEY HEIGHTS - SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2023		MEMO
				(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	DUE TO GRANTORS					(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	DUE TO GRANTORS	
Debt Service Aid	23-495-034-5120-075	\$596,699.00	07/01/2022	(\$650,232.13)	\$10,930.06		\$596,699.00	(\$596,699.00)		\$61,204.00	\$2,205.98	
Total State Financial Assistance							\$17,905,349.55	(\$18,142,632.73)	(\$10,930.06)	\$61,204.00	\$2,205.98	
Less: On-Behalf amounts not utilized for determination of Major Programs:												
On-behalf TPAF Contributions	23-495-034-5094-002	9,336,587.00	07/01/2022				\$9,336,587.00	(\$9,336,587.00)				
NCCI	23-495-034-5094-004	129,535.00	07/01/2022				129,535.00	(129,535.00)				
Post Retirement Medical	23-495-034-5094-001	2,486,728.00	07/01/2022				2,486,728.00	(2,486,728.00)				
Long-Term Disability Insurance	23-495-034-5094-000	2,742.00	07/01/2022				2,742.00	(2,742.00)				
Total State Financial Assistance Subject to Single Audit							\$5,949,757.55	(\$6,187,040.73)		\$61,204.00	\$2,205.98	
											CUMULATIVE TOTAL EXPENDITURES	\$96,699.00
											GAAP RECEIVABLE	\$1,359,160.27
											DUE TO GRANTORS	\$2,205.98
											(ACCOUNTS RECEIVABLE)/ UNEARNED REVENUE	(\$66,960.27)
											REVENUE	\$61,204.00
											TOTAL	\$24,054,647.46

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

**Township of Berkeley Heights School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2023**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 GAAP basis does not.

**Township of Berkeley Heights School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2023**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$41,803.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$80,012.25) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$17,423,032.69	\$17,423,032.69
Special Revenue Fund	\$1,429,828.59	67,416.30	1,497,244.89
Debt Service Fund		596,699.00	596,699.00
	<hr/>	<hr/>	<hr/>
GAAP Adjustment	66,330.51	55,484.74	
Total Awards & Financial Assistance	<u>\$1,496,159.10</u>	<u>\$18,142,632.73</u>	<u>\$19,516,976.58</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

**Township of Berkeley Heights School District**  
**Union County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness(es) identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to the basic financial statements noted during the audit?           | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
|     | (a) Material weaknesses identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?                                 | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?  | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? | No         |
| (4) | Identification of Major Federal Program(s):  |            |

<u>Program</u>	<u>AL</u>
Coronavirus Response and Relief Supplemental Appropriations (CRRSA)	84.425D
American Rescue Plan (ARP)	84.425U

**Township of Berkeley Heights School District**  
**Union County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2023**

**Section I – Summary of Auditor’s Results (Continued)**

- (5) Program Threshold Determination:  
Type A Federal Program Threshold > \$750,000.00  
Type B Federal Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? Yes

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant Number</u>
Reimbursed TPAF Social Security Contributions	495-034-5095-003
Debt Service Aid	495-034-5120-014

- (5) Program Threshold Determination:  
Type A State Program Threshold > \$750,000.00  
Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Township of Berkeley Heights School District  
Union County, New Jersey

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

**Township of Berkeley Heights School District**  
**Union County, New Jersey**

**Schedule of Prior Year Audit Findings**

Not Applicable





