

BERKELEY TOWNSHIP SCHOOL DISTRICT

Bayville, New Jersey
County of Ocean

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

BERKELEY TOWNSHIP SCHOOL DISTRICT

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

**Berkeley Township School District
Business Administrator's Office**

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INTRODUCTORY SECTION

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BERKELEY TOWNSHIP SCHOOL DISTRICT

53 CENTRAL PARKWAY
BAYVILLE, NEW JERSEY 08721-2414

Tyler Verga, CPA
Business Administrator/Board Secretary

(732)269-2321 Ext.3205
Fax (732-269-4487)
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December 8, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report ("ACFR") of the Berkeley Township 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 Board of Education of Berkeley Township. To the best of my knowledge and belief, the data as 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.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Berkeley Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All funds and account groups of the District are included in this report. The Berkeley Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PS through 6. These include regular programs, as well as Special Education for children with special needs. The District completed

the 2022-2023 fiscal year with an average daily enrollment of 2,427 students. The following details the changes in the student average daily enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2022-2023	2,427	1.29%
2021-2022	2,396	0.34%
2020-2021	2,388	-3.59%
2019-2020	2,477	9.70%
2018-2019	2,258	4.20%
2017-2018	2,167	2.60%
2016-2017	2,112	-0.66%
2015-2016	2,126	1.09%
2014-2015	2,103	-0.43%
2013-2014	2,112	2.67%

The District has experienced continual growth due to development within the Township along with the continued expansion of the preschool program.

2) ECONOMIC CONDITION AND OUTLOOK: The Berkeley Township, New Jersey area is bordered by the municipalities of Beachwood, Lacey Township, Manchester Township, Ocean Gate, Seaside Park, Toms River and South Toms River. The Township encompasses 41.9 square miles. The Township is part of Ocean County and is served by major transportation routes, including Route 9, the Garden State Parkway and a number of county roads.

The population of the Township of Berkeley is approximately 41,762 per the NJ Dept. of Labor & Workforce Development. Of this number, approximately 43% are senior citizens who reside in the retirement communities locally known as Holiday City and Silver Ridge Park. Said communities were established in the western section of the Township in the late 1960's and early 1970's.

The Township has not experienced any unusual increase in its' tax base with the exception of a Super Shop Rite located in the Berkeley Plaza on Route 9. Several additional strip malls located on Route 9 were completed in the last ten years.

Food chains, gas stations, auto-repair shops, fast food restaurants, convenience stores and miscellaneous service vendors comprise the bulk of the strip malls.

Since 1980 local school budgets had been rejected by the voters in the vast majority of the annual school elections. For budgets beginning with the 2012-2013 school year, voter approval is no longer required if the tax levy increase is below "CAP" or 2%.

In recognition of the impact residential developments had on the school system, a Special Election was held on March 12, 2002. Township voters approved the issuance of \$24,430,100 in bonds to fund the local share of a \$33,491,000 building project. The project included additions and renovations to the three existing schools and construction of a new elementary school for grades 5 and 6. The remaining \$9,510,900 was funded by a grant from the New Jersey Economic Development Authority. The Bond sale closed on August 1, 2002. Construction

was completed in 2005. Included in the 2022-23 Budgeted Appropriations is a line item “Assessment for Debt Service on SDA Funding.” The assessment is paid to the State by a reduction in the State Aid paid to the District.

In March, 2020 the world wide Corona Virus Pandemic suddenly closed schools and businesses. The School continued to operate in a virtual capacity and continues to do so in a modified hybrid fashion as of the issuance of this report.

3) SCHOOL DISTRICT PROFILE: The Berkeley Township Board of Education currently operates three Pre K – Grade 4 elementary schools and one Grade 5 – 6 school. The oldest school, Bayville Elementary School, was constructed in 1926, the H. & M. Potter School was built in 1973. A 10-room addition to the Clara B. Worth School, which opened in 1962 – 63, was constructed in 1983. Classroom additions to the Bayville School, Clara B. Worth School and H. & M. Potter School opened in September 2004. The central office and Directors of Elementary Education and Special Ed with their respective support staff are housed in separate annex buildings. There is also a bus garage complex for in-house vehicle maintenance. The construction of a 5,000 square foot building to house the Buildings & Grounds, Transportation, Technology and Dining Services Departments was completed in 2012.

The School District is governed by a 9-member Board of Education and administered by a Superintendent of Schools, a Business Administrator/Board Secretary, a Director of Curriculum/Personnel, a Director of Special Education Services, four School Principals, four Assistant Principals and a Supervisor of PreSchool.

The District operates a complete breakfast/lunch program in each school and an in-house transportation department that provides services for approximately 1,900 students daily.

4) MAJOR EDUCATIONAL INITIATIVES: During 2004 – 2005 school year, the District went through a major re-districting. The successful opening and staffing of the district’s first middle school (Grades 5 and 6) took place in January, 2005.

Additions to the three elementary schools were completed in Spring 2005. Ten half-day Kindergarten classes were replaced by 14 all-day Kindergarten classes in 2004 – 2005. The District takes pride in the condition of all its school campuses. Since 2006, all parking lots have been redone and 100% of all classrooms have been renovated with new ceilings, lighting, paint, flooring and whiteboards.

In 2011, the District completed a multi-year project installing district-wide phone upgrade with installation of classroom phones, VoIP phones, and a private fiber installation.

The District invested more than half a million dollars in a new Language Arts Program for all grade levels that was implemented in September 2012.

The District has completed a one to one Chromebook initiative and currently has approximately 2,500 Chromebooks available for use by students in kindergarten through sixth grade.

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

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

As a recipient of federal and state financial assistance, the District 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.

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

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

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by 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.

8) DEBT ADMINISTRATION: At June 30, 2023, the District's outstanding debt includes an assessment for debt service on SDA funding in the amount of \$118,421.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

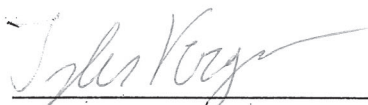
10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. See J-20 in the statistical section.

11) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C., was selected by the Berkeley Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

(Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic 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.

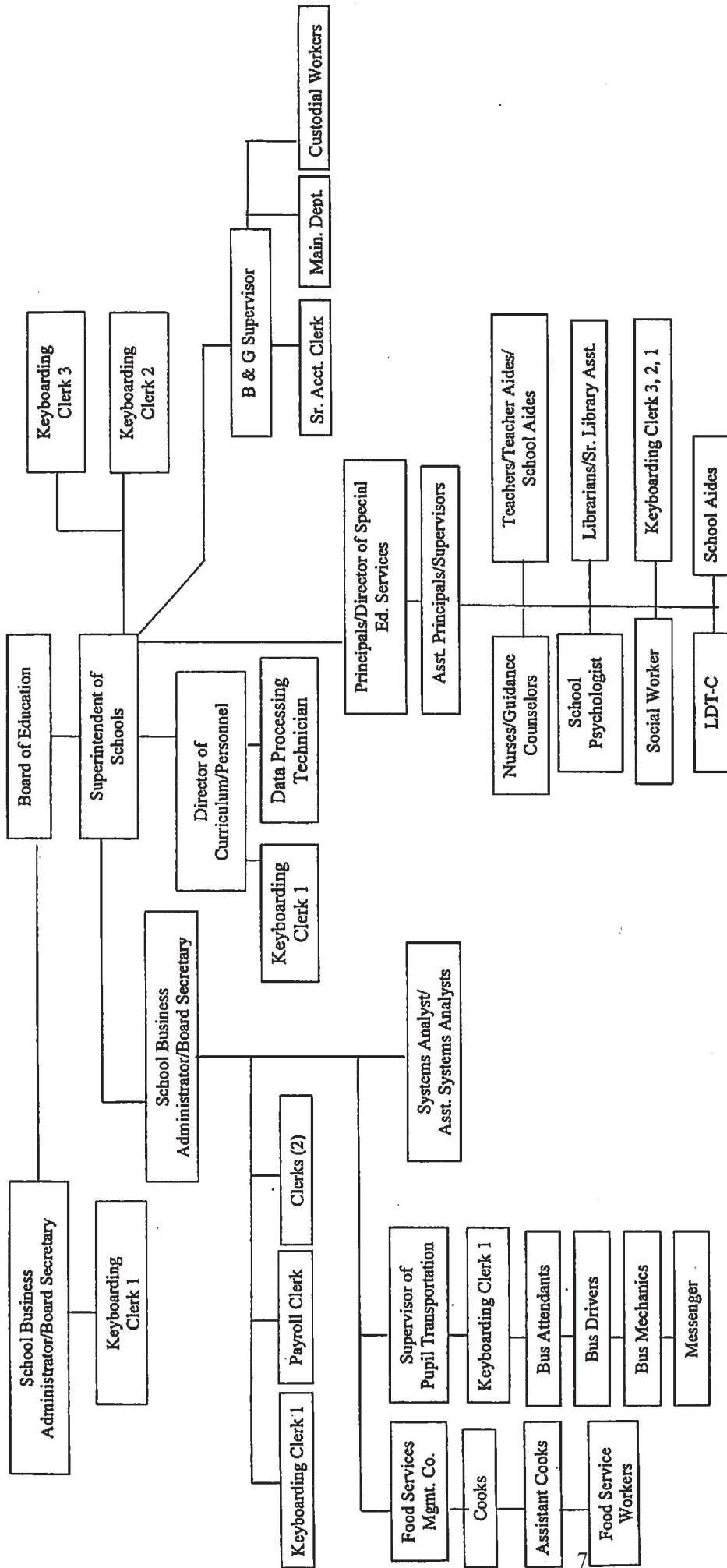
12) ACKNOWLEDGMENTS: I would like to express my appreciation to the Business Office staff and Superintendent's staff and to those municipal, county and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as can be found within this report. I further express my appreciation to the School District's auditing firm which provided guidance and advice during the preparation of this report.

Prepared by and Respectfully Submitted:



Tyler Verga, CPA
Business Administrator/Board Secretary

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POLICY 1110 ORGANIZATIONAL CHART (ADOPTION 7/1/18)

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BERKELEY TOWNSHIP SCHOOL DISTRICT
53 Central Parkway
Bayville, New Jersey 08721-2496

ROSTER OF OFFICIALS

JUNE 30, 2023

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Mrs. Jennifer Bacchione, President	2023
Mrs. Michele Shedlock, Vice President	2025
Mr. Douglas Bowens	2024
Mr. James Coffey	2025
Mr. Thomas Guarascio	2023
Mr. John MacMoyle	2024
Mrs. Megan Ornstein	2025
Mrs. Anne Marie Trethaway	2024
Mr. David Ytreboe	2023

OTHER OFFICIALS

Dr. James D. Roselli, Superintendent of Schools

Mr. Tyler Verga, CPA, RSBA, RSBO, Business Administrator/Board Secretary

Mr. Carmen J. Memoli, CPA, Treasurer of School Monies

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BERKELEY TOWNSHIP SCHOOL DISTRICT
53 Central Parkway
Bayville, New Jersey 08721-2496

CONSULTANTS AND ADVISORS

ATTORNEY

John Sahradnik
Berry, Sahradnik, Kotzas, & Benson
212 Hooper Avenue
P.O. Box 757
Toms River, New Jersey 08754

AUDIT FIRM

Jerry W. Conaty, CPA, PSA, CFE, RMA
Holman Frenia Allison, P.C.
1985 Cedar Bridge Avenue, Suite 3
Lakewood, New Jersey 08701

OFFICIAL DEPOSITORY

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the School 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 School District 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 Responsibility

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 December 8, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 8, 2023

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

The Management’s Discussion and Analysis (MD&A) of the Berkeley Township Board of Education provides an overview of the School Board’s financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the Annual Comprehensive Financial Report’s (ACFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board’s financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board’s (GASB) Statement No. 34 – “Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments” issued in June 1999 that is now being required by the New Jersey Statement Department of Education. Comparative information between the current fiscal year (2022–2023) and the prior fiscal year (2021-2022) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Government-wide Financial Analysis

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,111,191 on June 30, 2023. Total Net Position increased by \$2,628,358 from June 30, 2022.

Table 1
Summary of Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 10,824,793	\$ 10,245,274	\$ 579,519	6%
Capital Assets, Net	17,216,888	18,566,283	(1,349,395)	-7%
Total Assets	<u>28,041,681</u>	<u>28,811,557</u>	<u>(769,876)</u>	-3%
Deferred Outflow of Resources	<u>1,597,533</u>	<u>1,550,733</u>	46,800	3%
Current and other Liabilities	885,653	3,070,647	(2,184,994)	-71%
Noncurrent Liabilities	9,861,112	8,047,692	1,813,420	23%
Total Liabilities	<u>10,746,765</u>	<u>11,118,339</u>	<u>(371,574)</u>	-3%
Deferred Inflow of Resources	<u>1,781,258</u>	<u>4,761,118</u>	<u>(2,979,860)</u>	100%
Net Position:				
Net Investment in Capital Assets	17,146,414	16,498,779	647,635	4%
Restricted	10,009,968	8,770,922	1,239,046	14%
Unrestricted (Deficit)	(10,045,191)	(10,786,868)	741,677	-7%
Total Net Position	<u>\$ 17,111,191</u>	<u>\$ 14,482,833</u>	<u>\$ 2,628,358</u>	18%

BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

The largest portion of the District's net position is its investment in capital assets (e.g., land, construction in progress, buildings and improvements, furniture and equipment); less any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2
Summary of Changes in Net Position

	June 30, <u>2023</u>	June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 433,593	\$ 4,696	\$ 428,897	0%
Operating Grants & Contributions	15,977,955	18,335,894	(2,357,939)	-13%
General Revenues:				
Property Taxes	32,686,053	32,073,515	612,538	2%
Federal & State Aid	3,535,100	3,407,644	127,456	4%
Other General Revenues	710,209	602,276	107,933	18%
Total Revenues	<u>53,342,910</u>	<u>54,424,025</u>	<u>(1,081,115)</u>	-2%
Function/Program Expenses:				
Instructional Services	19,850,148	17,627,244	2,222,904	13%
Tuition	324,305	360,047	(35,742)	-10%
Student & Instruction Related Services	7,908,334	7,368,436	539,898	7%
Support Services	8,351,014	7,900,414	450,600	6%
Unallocated Benefits	12,891,176	14,438,977	(1,547,801)	-11%
Transfer to Charter Schools	55,691	-	55,691	#DIV/0!
Interest & Other Charges	142,660	244,400	(101,740)	-42%
Unallocated Depreciation	-	1,551,533	(1,551,533)	-100%
Enterprise Funds	1,191,224	1,862,764	(671,540)	-36%
Total Expenses	<u>50,714,552</u>	<u>51,353,815</u>	<u>(639,263)</u>	-1%
Change In Net Position	2,628,358	3,070,210	(441,852)	-14%
Net Position - Beginning (as restated)	14,482,833	11,412,623	3,070,210	27%
Net Position - Ending	<u>\$ 17,111,191</u>	<u>\$ 14,482,833</u>	<u>\$ 2,628,358</u>	18%

BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's fund financial statements start with Schedule C-1, "Budgetary Comparison Schedule." For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health.

Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Debt Service Fund. The remaining statement, Combining Statement of Fiduciary Net Position presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal years ending June 30, 2023 and 2022, it reported combined fund balances of \$10,626,312 and \$9,807,199 respectively, which is a current year increase of \$819,113. The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds (Exhibit B-3) to the Statement of Activities (Exhibit A-2) presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedule (Exhibit C-1). The School Board generally did better than had been budgeted in its General Fund since it forecasts revenues very conservatively and expenditures are budgeted with worst case scenarios in mind.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

(UNAUDITED)

GOVERNMENTAL ACTIVITIES

During the fiscal year 2023, the net position of governmental activities increased by \$2,604,849.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$16,986,720 with an unrestricted deficit balance of \$10,129,678. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (10,129,678)
Plus: PERS Pension Liability	9,022,409
Less: Deferred Outflows Related to Pensions	(1,597,533)
Plus: Deferred Inflows Related to Pensions	<u>1,781,258</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ (923,544)</u></u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2023 and 2022, the School Board had approximately \$17.147 million and \$18.566 million, respectively, invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year and depreciation of depreciable assets for the year. The schedule below shows the net book value of general capital assets at the end of each year:

**Table 4
Summary of Capital Assets**

<u>Capital Assets (Net of Depreciation)</u>	Balance June 30, <u>2023</u>	Balance June 30, <u>2022</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Site & Improvements	\$ 538,129	\$ 579,207	\$ (41,078)	-7.1%
Building & Building Improvements	15,658,699	16,860,854	(1,202,155)	-7.1%
Machinery & Equipment	950,786	1,126,194	(175,408)	-15.6%
	<u>\$ 17,147,614</u>	<u>\$ 18,566,255</u>	<u>\$ (1,418,641)</u>	-7.6%

During the current fiscal year \$75,509 of fixed assets were capitalized. Increases in capital assets were offset by retirements and adjustments of \$9,939 and depreciation expense of \$1,418,626 for the year.

BERKELEY TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(UNAUDITED)

Debt Administration:

During the fiscal year ended June 30, 2023 the following changes occurred in liabilities reported in the long-term debt:

Governmental	Balance 6/30/2022	Issued/(Retired) Adjustments	Balance 6/30/2023	Due Within One Year
Net Pension Liability	\$ 7,290,195	\$ 1,732,214	\$ 9,022,409	\$ -
Compensated Absences Payable	687,170	81,059	768,229	-
Bonds Payable	1,940,000	(1,940,000)	-	-
Lease Obligations	113,172	(42,698)	70,474	43,113
Bond Premium	34,425	(34,425)	-	-
Total	\$ 10,064,962	\$ (203,850)	\$ 9,861,112	\$ 43,113

For additional information, see Note 7 of Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original to Final Budget

Original Appropriations as compared to the Final Budget stayed relatively constant throughout the Budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2022–2023 school year, the School Board was able to sustain its budget through the Township tax levy, state education aid and local revenue sources. Only 29% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 69% of the total revenue is from the Township tax levy.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Tyler Verga, CPA, School Business Administrator/Board Secretary, at the Berkeley Board of Education's office, 53 Central Parkway, Bayville, New Jersey 08721.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BERKELEY TOWNSHIP 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>
ASSETS:			
Cash & Cash Equivalents	\$ 7,908,303	\$ 44,498	\$ 7,952,801
Receivables, Net (Note 4)	653,286	41,450	694,736
Restricted Cash & Cash Equivalents	2,177,256	-	2,177,256
Capital Assets, Net (Note 5)			
Non-depreciable	123,970	-	123,970
Depreciable	16,983,662	39,984	17,023,646
Right to Use Leased Assets, Net of Amortization (Note 16)	69,272	-	69,272
	<hr/>		
Total Assets	27,915,749	125,932	28,041,681
	<hr/>		
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,597,533	-	1,597,533
	<hr/>		
Total Deferred Outflow of Resources	1,597,533	-	1,597,533
	<hr/>		
LIABILITIES:			
Accounts Payable	57,697	1,461	59,158
Payroll Deductions and Withholdings	30,802	-	30,802
Due to Other Governments	773,457	-	773,457
Unearned Revenue	22,218	-	22,218
Accrued Interest	18	-	18
Noncurrent Liabilities (Note 7):			
Due Within One Year	43,113	-	43,113
Due in More Than One Year	9,817,999	-	9,817,999
	<hr/>		
Total Liabilities	10,745,304	1,461	10,746,765
	<hr/>		
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,781,258	-	1,781,258
	<hr/>		
Total Deferred Inflow of Resources	1,781,258	-	1,781,258
	<hr/>		
NET POSITION:			
Net Investment in Capital Assets	17,106,430	39,984	17,146,414
Restricted for:			
Capital Projects (Note 3)	1,011,515	-	1,011,515
Maintenance Reserve (Note 3)	1,134,928	-	1,134,928
Emergency Reserve (Note 3)	30,813	-	30,813
Excess Surplus (Note 17)	7,832,712	-	7,832,712
Unrestricted (Deficit) (Note 19)	(10,129,678)	84,487	(10,045,191)
	<hr/>		
Total Net Position	\$ 16,986,720	\$ 124,471	\$ 17,111,191
	<hr/> <hr/>		

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 9,420,983	\$ -	\$ -	(9,420,983)	\$ -	\$ (9,420,983)
Special Education Instruction	9,056,390	-	4,572,113	(4,484,277)	-	(4,484,277)
Other Special Instruction	1,290,498	-	-	(1,290,498)	-	(1,290,498)
Other Instructional Programs	82,277	-	-	(82,277)	-	(82,277)
Support Services:						
Tuition	324,305	-	-	(324,305)	-	(324,305)
Student & Instruction Related Services	7,908,334	-	3,852,217	(4,056,117)	-	(4,056,117)
General Administrative	712,749	-	-	(712,749)	-	(712,749)
School Administrative Services	1,357,687	-	-	(1,357,687)	-	(1,357,687)
Central Services	395,869	-	-	(395,869)	-	(395,869)
Administrative Info. Technology	468,872	-	-	(468,872)	-	(468,872)
Plant Operations & Maintenance	2,671,214	-	-	(2,671,214)	-	(2,671,214)
Pupil Transportation	2,744,623	-	-	(2,744,623)	-	(2,744,623)
Unallocated Benefits	6,114,904	-	-	(6,114,904)	-	(6,114,904)
On Behalf/TPAF Pension and Social Security Contributions	6,776,272	-	6,776,272	-	-	-
Transfer to Charter Schools	55,691	-	-	(55,691)	-	(55,691)
Interest & Other Charges	142,660	-	-	(142,660)	-	(142,660)
Total Governmental Activities	49,523,328	-	15,200,602	(34,322,726)	-	(34,322,726)
Business-Type Activities:						
Food Service	1,191,224	433,593	777,353	-	19,722	19,722
Total Business-Type Activities	1,191,224	433,593	777,353	-	19,722	19,722
Total Primary Government	\$ 50,714,552	\$ 433,593	\$ 15,977,955	(34,322,726)	19,722	(34,303,004)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				30,697,553	-	30,697,553
Property Taxes, Levied for Debt Service				1,988,500	-	1,988,500
Federal & State Aid Not Restricted				3,535,100	-	3,535,100
Tuition Charges				14,316	-	14,316
Service Provided Other LEA's				235,219	-	235,219
Miscellaneous				296,294	-	296,294
Investment Earnings				160,593	3,787	164,380
Total General Revenues and Special Items				36,927,575	3,787	36,931,362
Change In Net Position				2,604,849	23,509	2,628,358
Net Position - Beginning				14,381,871	100,962	14,482,833
Net Position - Ending				\$ 16,986,720	\$ 124,471	\$ 17,111,191

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

B. Fund Financial Statements

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Governmental Funds

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

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL JUNE 30, 2023
Cash & Cash Equivalents	\$ 8,228,974	\$ -	\$ 8,228,974
Due from Other Funds	56,272	-	56,272
Receivables from:			
Federal	-	358,062	358,062
State	288,724	6,500	295,224
Reserved Cash & Cash Equivalents:			
Capital Reserve	1,011,515	-	1,011,515
Maintenance Reserve	1,134,928	-	1,134,928
Emergency Reserve	30,813	-	30,813
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 10,751,226</u>	<u>\$ 364,562</u>	<u>\$ 11,115,788</u>
 LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ -	\$ 320,671	\$ 320,671
Accounts Payable	57,697	-	57,697
Due to Other Governments	-	1,816	1,816
Payroll Deductions and Withholdings	30,802	-	30,802
Due to Other Funds	-	56,272	56,272
Unearned Revenue	-	22,218	22,218
	<hr/>	<hr/>	<hr/>
Total Liabilities	88,499	400,977	489,476
Fund Balances:			
Restricted for:			
Capital Reserve Account	1,011,515	-	1,011,515
Maintenance Reserve Account	1,134,928	-	1,134,928
Emergency Reserve Account	30,813	-	30,813
Excess Surplus	4,256,676	-	4,256,676
Excess Surplus Designated for Subsequent Year's Expenditures	3,576,036	-	3,576,036
Committed for:			
Other Purposes	30,555	-	30,555
Assigned for:			
Unassigned	622,204	(36,415)	585,789
	<hr/>	<hr/>	<hr/>
Total Fund Balances	10,662,727	(36,415)	10,626,312
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	<u>\$ 10,751,226</u>	<u>\$ 364,562</u>	

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$52,217,421 and the accumulated depreciation is \$35,109,789	17,107,632
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$156,128 and the accumulated amortization is \$86,856.	69,272
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred Outflows related to pensions	1,597,533
Deferred Inflows related to pensions	(1,781,258)
Loss on early extinguishment of debt is recorded when incurred in the governmental funds but are deferred and recognized in the statement of	
Accrual of bond and lease interest is not due and payable in the current period and therefore are not reported as liabilities in the funds.	(18)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(771,641)
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 7)	<hr/>
	<u>(9,861,112)</u>
Net Position of Governmental Activities	<hr/> <u>\$ 16,986,720</u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL JUNE 30, 2023
Revenues:				
Local Tax Levy	\$ 30,697,553	\$ -	\$ 1,988,500	\$ 32,686,053
Interest on Investments	160,593	-	-	160,593
Tuition	14,316	-	-	14,316
Services Provided Other LEA's	235,219	-	-	235,219
Miscellaneous	296,294	83,577	-	379,871
Total Local Sources	31,403,975	83,577	1,988,500	33,476,052
State Sources	12,779,935	5,179,647	-	17,959,582
Federal Sources	119,620	3,161,106	-	3,280,726
Total Revenues	44,303,530	8,424,330	1,988,500	54,716,360
Expenditures:				
Current:				
Regular Instruction	8,945,200	-	-	8,945,200
Special Education Instruction	3,782,060	4,891,588	-	8,673,648
Other Special Instruction	1,235,959	-	-	1,235,959
Other Instructional Programs	78,800	-	-	78,800
Support Services & Undistributed Costs - Current:				
Tuition	310,599	-	-	310,599
Student & Instruction Related Services	3,731,414	3,852,217	-	7,583,631
General Administrative	682,626	-	-	682,626
School Administrative Services	1,300,308	-	-	1,300,308
Central Services	379,139	-	-	379,139
Administrative Information Technology	449,056	-	-	449,056
Plant Operations & Maintenance	2,558,323	-	-	2,558,323
Pupil Transportation	2,628,630	-	-	2,628,630
Unallocated Benefits	7,468,752	-	-	7,468,752
Nonbudgeted Expenditures	9,364,455	-	-	9,364,455
Debt Service:				
Principal	-	-	1,940,000	1,940,000
Interest	118,421	-	48,500	166,921
Capital Outlay	75,509	-	-	75,509
Transfer of Funds to Charter Schools	55,691	-	-	55,691
Total Expenditures	43,164,942	8,743,805	1,988,500	53,897,247
Excess/(Deficiency) of Revenues Over Expenditures	1,138,588	(319,475)	-	819,113
Other Financing Sources/(Uses):				
Local Contribution-Transfer to Special Revenue Regular	(781,492)	781,492	-	-
Total Other Financing Sources/(Uses)	(781,492)	781,492	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	357,096	462,017	-	819,113
Fund Balance - July 1	10,305,631	(498,432)	-	9,807,199
Fund Balance - June 30	\$ 10,662,727	\$ (36,415)	\$ -	\$ 10,626,312

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

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

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	819,113
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	\$ (1,494,135)	
Adjustment	9,939	
Capital Outlays	<u>75,509</u>	(1,408,687)
Governmental funds report the effect of right to use leased assets and similar items when lease is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Right to Use Leased Assets		(42,627)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		1,296,818
Repayment of long-term debt principal and obligation of lease purchase agreements are 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.		
		1,982,698
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Premium on Bonds	34,425	
Amortization of Loss on Bond Refunding	<u>(20,093)</u>	14,332
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		24,261
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(81,059)</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,604,849</u></u>

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Proprietary Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		JUNE 30, 2023
	FOOD SERVICE	TECH EXPO	
Current Assets:			
Cash & Cash Equivalents	\$ 42,018	\$ 2,480	\$ 44,498
Account Receivable:			
State	1,901	-	1,901
Federal	39,549	-	39,549
Total Current Assets	83,468	2,480	85,948
Noncurrent Assets:			
Furniture, Machinery & Equipment	346,196	-	346,196
Less: Accumulated Depreciation	(306,212)	-	(306,212)
Total Noncurrent Assets	39,984	-	39,984
Total Assets	123,452	2,480	125,932
LIABILITIES			
Current Liabilities:			
Due to Parents	1,461	-	1,461
Total Current Liabilities	1,461	-	1,461
NET POSITION			
Net Investment in Capital Assets	39,984	-	39,984
Unrestricted	82,007	2,480	84,487
Total Net Position	\$ 121,991	\$ 2,480	\$ 124,471

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

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

	BUSINESS-TYPE ACTIVITIES -		TOTAL
	ENTERPRISE FUND		JUNE 30,
	FOOD SERVICE	TECH EXPO	2023
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 415,152	\$ -	\$ 415,152
Miscellaneous Revenue	18,441	-	18,441
	<hr/>		
Total Operating Revenues	433,593	-	433,593
	<hr/>		
Operating Expenses:			
Cost of Sales - Reimbursable Programs	940,966	-	940,966
Salaries & Benefits	201,135	-	201,135
Professional Services	6,062	-	6,062
General Supplies	21,842	-	21,842
Miscellaneous	11,239	-	11,239
Depreciation	9,980	-	9,980
	<hr/>		
Total Operating Expenses	1,191,224	-	1,191,224
	<hr/>		
Operating Loss	(757,631)	-	(757,631)
	<hr/>		
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	18,364	-	18,364
State School Breakfast Program	9,108	-	9,108
Federal Sources:			
National School Lunch Program	433,421	-	433,421
National School Breakfast Program	120,513	-	120,513
National School Performance Based Program	14,270	-	14,270
U.S.D.A. Commodities	52,374	-	52,374
COVID Supply Chain Assistance	129,303	-	129,303
Interest & Investment Revenue	3,787	-	3,787
	<hr/>		
Total Nonoperating Revenues/(Expenses)	781,140	-	781,140
	<hr/>		
Change in Net Position	23,509	-	23,509
Total Net Position - Beginning	98,482	2,480	100,962
	<hr/>		
Total Net Position - Ending	\$ 121,991	\$ 2,480	\$ 124,471
	<hr/>		

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		JUNE 30, 2023
	FOOD SERVICE	TECH EXPO	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 421,560	\$ -	\$ 421,560
Payments to Employees & Benefits	(201,135)	-	(201,135)
Payments to Suppliers	(928,351)	-	(928,351)
Net Cash Provided/(Used) by Operating Activities	<u>(707,926)</u>	-	<u>(707,926)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	27,812	-	27,812
Federal Sources	800,082	-	800,082
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>827,894</u>	-	<u>827,894</u>
Cash Flows From Investing Activities:			
Interest & Dividends	3,787	-	3,787
Net Cash Provided/(Used) by Investing Activities	<u>3,787</u>	-	<u>3,787</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	123,755	-	123,755
Balances - Beginning of Year	(81,737)	2,480	(79,257)
Balances - End of Year	<u>\$ 42,018</u>	<u>\$ 2,480</u>	<u>\$ 44,498</u>
Reconciliation of Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
Operating Loss	\$ (757,631)	\$ -	\$ (757,631)
Adjustments to Reconcile Operating Loss to Net Cash Provided/(Used) by Operating Activities:			
U.S.D.A. Commodities	52,374	-	52,374
Depreciation & Net Amortization	9,980	-	9,980
Increase (Decrease) in Due to Parents	(616)	-	(616)
Increase (Decrease) in Unearned Revenue	(12,033)	-	(12,033)
Total Adjustments	<u>49,705</u>	-	<u>49,705</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (707,926)</u>	<u>\$ -</u>	<u>\$ (707,926)</u>

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

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BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Berkeley Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels Preschool through 6th grade at its four school. The School District has an approximate enrollment at June 30, 2023 of 2,427 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2023.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

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

As required by the New Jersey Department of Education the School 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are 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 expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Tech Expo Fund- The tech expo fund accounts for the financial transactions related to the exhibition of technology operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The School District’s fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the School District controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities* .

The School District has no fiduciary funds.

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 School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as 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 School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Right to Use Assets

The 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 lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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.

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and December 8, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements* .
- Statement No. 99, *Omnibus 2022* .

Management has determined the implementation these Statements did not have a significant impact on the Districts' financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following GASB Statements will become effective in future fiscal periods:

- Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*. The effective date is for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences* . The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has not yet determined the the potential impact on the District's financial statements.

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District's bank balance of \$12,059,342 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 12,059,342
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Investments

The School District had no investments at June 30, 2023.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$1,000 on June 30, 1994 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$	997,699
Increased by:		
Interest Earnings		13,816
Ending Balance, June 30, 2023	\$	1,011,515

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects at June 30, 2018 is \$2,975,000.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District’s Long Rang Facilities Plan.

Emergency Reserve

The School District established an emergency reserve account by inclusion of \$250,000 on June 17, 2008 for the accumulation of funds for use in accordance with N.J.S.A. 18A: 7F-41c(1) to finance unanticipated general fund expenditures.

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

Beginning Balance, July 1, 2022	\$	30,392
Increased by:		
Interest Earnings		421
Ending Balance, June 30, 2023	\$	30,813

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Reserve Accounts (Continued)

Maintenance Reserve

The School District established a maintenance reserve account by the inclusion of \$300,000 on June 17, 1994 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

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

Beginning Balance, July 1, 2022	\$	1,119,427
Increased by:		
Interest Earnings		15,501
Ending Balance, June 30, 2023	\$	1,134,928

Note 4. Accounts Receivable

Accounts receivable at June 30, consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District’s governmental and business-type activities as of June 30, 2023, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ -	\$ 358,062	\$ 358,062
State Awards	288,724	6,500	295,224
Total	\$ 288,724	\$ 364,562	653,286
<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	<u>Food Service Fund</u>		
Federal Awards		\$ 39,549	\$ 39,549
State Awards		1,901	1,901
Total		\$ 41,450	\$ 41,450

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets

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

	Governmental Activities				
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2023</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 123,970	\$ -	\$ -	\$ -	\$ 123,970
Total Capital Assets not being depreciated	<u>123,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,970</u>
Capital Assets being depreciated:					
Land Improvements	2,989,690	-	-	-	2,989,690
Buildings and Improvements	42,827,639	-	-	-	42,827,639
Equipment	6,086,904	75,509	(83,687)	197,396	6,276,122
Total Capital Assets being depreciated	<u>51,904,233</u>	<u>75,509</u>	<u>(83,687)</u>	<u>197,396</u>	<u>52,093,451</u>
Less: Accumulated Depreciation:					
Land Improvements	(2,534,454)	(41,077)	-	-	(2,575,531)
Buildings and Improvements	(25,966,784)	(1,202,156)	-	-	(27,168,940)
Equipment	(5,010,646)	(250,902)	83,687	(187,457)	(5,365,318)
Total Accumulated Depreciation	<u>(33,511,884)</u>	<u>(1,494,135)</u>	<u>83,687</u>	<u>(187,457)</u>	<u>(35,109,789)</u>
Total Capital Assets being depreciated, net	<u>18,392,349</u>	<u>(1,418,626)</u>	<u>-</u>	<u>9,939</u>	<u>16,983,662</u>
Total Governmental Activities Capital Assets, net	<u>\$ 18,516,319</u>	<u>\$ (1,418,626)</u>	<u>\$ -</u>	<u>\$ 9,939</u>	<u>\$ 17,107,632</u>
	Business-Type Activities				
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements and Transfers	<u>Adjustments</u>	Balance June 30, <u>2023</u>
Business-Type Activities:					
Equipment	\$ 346,196	\$ -	\$ -	\$ -	\$ 346,196
Total Capital Assets being depreciated	<u>346,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,196</u>
Less: Accumulated Depreciation:					
Equipment	(296,232)	(9,980)	-	-	(306,212)
Total Capital Assets being depreciated, net	<u>(296,232)</u>	<u>(9,980)</u>	<u>-</u>	<u>-</u>	<u>(306,212)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 49,964</u>	<u>\$ (9,980)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,984</u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities

Instruction:

Regular Instruction	\$ 383,775
Special Education Instruction	372,125
Other Instruction	56,407

Support Services:

Tuition	13,326
Student & Instruction Related Services	325,360
General Administrative	29,287
School Administrative Services	55,787
Central Services	16,266
Administrative Info. Technology	19,266
Plant Operations & Maintenance	109,760
Pupil Transportation	112,776

Total Depreciation Expense - Governmental Activities	\$ 1,494,135
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Note 6. Interfund Receivables, Payables and Transfers

Interfund balances at year-end were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 56,272	\$ -
Special Revenue Fund	-	56,272
	\$ 56,272	\$ 56,272

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers for the year ended June 30, 2023 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 781,492
Special Revenue Fund	781,492	-
	\$ 781,492	\$ 781,492

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,940,000	\$ -	\$ 1,940,000	\$ -	\$ -
Lease Obligations	113,172	-	42,698	70,474	43,113
Unamortized Bond Premiums	34,425	-	34,425	-	-
Compensated Absences	687,170	81,059	-	768,229	-
Net Pension Liability	7,290,195	1,732,214	-	9,022,409	-
	<u>\$ 10,064,962</u>	<u>\$ 1,813,273</u>	<u>\$ 2,017,123</u>	<u>\$ 9,861,112</u>	<u>\$ 43,113</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, right to use lease assets, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

2010 Bonds

The Board of Education issued Revenue Refunding Bonds, Series 2010, dated April 8, 2010 in the amount of \$16,760,000. The proceeds of this bond issue were used to advance refund certain callable maturities of the Board of Education's outstanding Series 2002 Bonds dated August 1, 2002. The Series 2002 Bonds were redeemed on April 8, 2010 at a redemption price of 100% of the principal amount thereof. The bonds included premiums of \$1,721,248 and expenses of \$136,400 resulting in a long term loss on the refunding \$1,004,748. The results of the refunding created an economic gain on the transaction with a net present value savings on interest expense of \$754,972.

These bonds were paid in full during the year ended June 30, 2023.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations (Continued)

Leases

The School District has entered into agreements to lease copy machines. The lease agreements qualify as other than short-term leases under GASB 87, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On November 1, 2017, the School District entered into a lease purchase agreement in the amount of \$15,089 for a Savin Copier. The lease obligation was issued at an interest rate of 3.51% and matures on November 28, 2022.

On September 10, 2019, the School District entered into a lease purchase agreement in the amount of \$87,881 for Savin Copiers. The lease obligation was issued at an interest rate of 5.00% and matures on December 28, 2024.

On January 27, 2021, the School District entered into a lease purchase agreement in the amount of \$94,426 for Savin Copiers. The lease obligation was issued at an interest rate of 4.00% and matures on April 28, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	\$ 43,113	\$ 2,212	\$ 45,325
2025	27,361	419	27,780
	\$ 70,474	\$ 2,631	\$ 73,105

Bonds Authorized but not Issued

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$9,022,409 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.059785%, which was a decrease of 0.00175% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized full accrual pension benefit of \$542,851 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 65,120	\$ 57,426
Changes of Assumptions	27,954	1,351,012
Net Difference between Projected and Actual Earnings on Pension Plan Investments	373,429	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	359,389	372,820
School District contributions subsequent to measurement date	771,641	-
	\$ 1,597,533	\$ 1,781,258

\$771,641 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending <u>June 30,</u>		
2022	\$	(776,619)
2023		(396,979)
2024		(194,975)
2025		416,816
2026		(3,609)
	<u>\$</u>	<u>(955,366)</u>

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 was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 11,689,317	\$ 9,022,409	\$ 6,894,201

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>06/30/23</u>	<u>06/30/22</u>
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's portion	0.05979%	0.06154%

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 related to the legislation. 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 collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

School District Special Fund Allocation Pension Expense for the year ending June 30, 2023 totaled \$18,984.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of *Chapter 78, P.L. 2011*, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$77,193,286. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.149616%, which was an increase of 0.004447% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$2,077,487 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the 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 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 assumption 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.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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. 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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 90,510,768	\$ 77,193,286	\$ 65,974,981

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	06/30/23	06/30/22
Collective Deferred Outflows of Resources	\$ 5,004,259,312	\$ 6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
School District's portion	0.14962%	0.14517%

C Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in PERS or TPAF on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 8. Pension Plans (Continued)

Contributions - The contribution policy is set by *N.J.S.A. 43:15C-3* and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$102,543, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$55,932.

Note 9. Other Post-Employment Benefits

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Employment Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer 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 nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate 2.50%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	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 the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$86,636,648. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.1710616%, which was an increase of 0.00093696% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$3,354,418 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Employment Benefits (continued)

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 rate 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 rate 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%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%, respectively. 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.

Sensitivity of Total Nonemployer OPEB Liability to Changes in Discount Rate:

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer 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:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 101,832,266	\$ 86,636,648	\$ 74,458,120
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

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

The following presents the total nonemployer OPEB liability as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the total nonemployer 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:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Employment Benefits (continued)

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 71,610,485	\$ 86,636,648	\$ 106,374,425
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 9,042,402,619	\$ 15,462,950,679
Change in Assumptions	8,765,620,577	17,237,289,230
Contributions Made in Fiscal Year Year Ending 2023 After June 30, 2022 Measurement Date **	TBD	N/A
	\$ 17,808,023,196	\$ 32,700,239,909

Fiscal Year Ending June 30,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	(3,921,361,006)
	\$ (14,892,216,713)

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Employment Benefits (continued)

Plan Membership

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

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	364,817

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability

Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected and Actual Experiences	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	(1,329,476,059)
Net Change in Total OPEB Liability	(9,361,188,004)
Total OPEB Liability (Beginning)	60,007,650,970
Total OPEB Liability (Ending)	\$ 50,646,462,966
Total Covered Employee Payroll	14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343.29%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$6,246,057, \$1,312,717, \$1,459,332, and \$1,993, respectively.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 11. Risk Management

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

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

Joint Insurance Pool – The School District also participates in the New Jersey Schools Insurance Group (NJSIG) and public entity risk pool. The Pool provides its members with the following coverage:

Property - Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers' Compensation
School Board Legal Liability	Excess Liability
Employer Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable	Lincoln Investment Planning, Inc.
Valic Investment	Met Life

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 14. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$768,229.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Right to Use Leased Assets

The School District has recorded a right to use leased asset. The assets are right to use assets for leased copy machines. The related lease is discussed in the Leases subsection of Note 7, Long-Term Liabilities. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

Right to use asset activity for the School District for the year ended June 30, 2022, was as follows:

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 16. Right to Use Leased Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets				
Leased copy machines	\$ 156,128	\$ -	\$ -	\$ 156,128
Total right to use assets	<u>156,128</u>	<u>-</u>	<u>-</u>	<u>156,128</u>
Less accumulated amortization:				
Leased copy machines	(44,229)	(42,627)	-	(86,856)
Total accumulated amortization	<u>(44,229)</u>	<u>(42,627)</u>	<u>-</u>	<u>(86,856)</u>
Right to use assets, net	<u>\$ 111,899</u>	<u>\$ (42,627)</u>	<u>\$ -</u>	<u>\$ 69,272</u>

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 was \$4,256,676.

Note 18. Fund Balances

General Fund – Of the 10,662,727 General Fund fund balance at June 30, 2022, \$1,011,515 has been restricted for the Capital Reserve Account; \$1,134,928 has been restricted for the Maintenance Reserve Account; \$30,813 has been restricted for the Emergency Reserve Account; \$4,256,676 has been restricted for current year excess surplus; \$3,576,036 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$30,555 has been committed to other purposes; and \$622,204 is unassigned.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$10,129,678 at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 20. Deficit Fund Balance

The School District has a deficit fund balance of \$36,415 in the Special Revenue Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$36,415 in the Special Revenue Fund is due to the delayed state aid payments as of June 30, 2023.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 21. Commitments

The District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the General Fund as Fund Balance Committed for Other Purposes in the amount of \$30,555.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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

ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 30,697,553	\$ -	\$ 30,697,553	\$ 30,697,553	\$ -
Tuition from Individuals	10-1310	-	-	-	14,316	14,316
Interest	10-1500	30,000	-	30,000	160,593	130,593
Services Provided Other LEA's	10-1950	235,219	-	235,219	235,219	-
Miscellaneous	10-1990	30,000	-	30,000	296,294	266,294
Total Local Sources		30,992,772	-	30,992,772	31,403,975	411,203
State Sources:						
Categorical Transportation Aid	10-3121	831,890	-	831,890	831,890	-
Categorical Special Education Aid	10-3132	1,843,683	-	1,843,683	1,843,683	-
Categorical Security Aid	10-3177	425,151	-	425,151	425,151	-
Adjustment Aid	10-3178	71,463	-	71,463	71,463	-
Extraordinary Aid	10-3131	-	-	-	208,011	208,011
Nonpublic Transportation	10-3190	-	-	-	14,314	14,314
Securing Our Children's Future Bond Act (Alyssa's Law)	10-3256	-	-	-	39,924	39,924
Nonbudgeted:						
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	6,351,551	6,351,551
On-Behalf TPAF Medical Contribution	10-3903	-	-	-	1,668,537	1,668,537
On-Behalf TPAF Long-Term Disability	10-3904	-	-	-	2,178	2,178
Reimbursed TPAF Social Security	10-3902	-	-	-	1,342,189	1,342,189
Total State Sources		3,172,187	-	3,172,187	12,798,891	9,626,704
Federal Sources:						
Medicaid Reimbursement	10-4200	65,153	-	65,153	119,620	54,467
Total Federal Sources		65,153	-	65,153	119,620	54,467
Total Revenues		34,230,112	-	34,230,112	44,322,486	10,092,374
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Kindergarten	11-110-100-101	1,245,801	(16,065)	1,229,736	1,186,263	43,473
Grades 1 - 5	11-120-100-101	6,203,892	(135,350)	6,068,542	5,952,346	116,196
Grades 6 - 8	11-130-100-101	1,160,710	4,415	1,165,125	1,164,259	866
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	22,500	13,862	36,362	36,362	-
Purchased Professional - Educational Services						
	11-150-100-320	5,000	-	5,000	1,701	3,299
Regular Programs - Undistributed Instruction:						
General Supplies	11-190-100-610	696,350	(36,436)	659,914	526,000	133,914
Textbooks	11-190-100-640	120,000	-	120,000	78,269	41,731
Total Regular Programs - Instruction		9,454,253	(169,574)	9,284,679	8,945,200	339,479
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,726,000	(33,478)	1,692,522	1,643,197	49,325
Other Salaries for Instruction	11-204-100-106	477,066	107,861	584,927	541,862	43,065
General Supplies	11-204-100-610	6,600	-	6,600	6,600	-
Total Learning and/or Language Disabilities		2,209,666	74,383	2,284,049	2,191,659	92,390
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	122,270	3,245	125,515	125,515	-
Other Salaries for Instruction	11-209-100-106	34,392	22,956	57,348	43,965	13,383
General Supplies	11-209-100-610	1,000	-	1,000	1,000	-
Other Objects	11-209-100-890	500	-	500	175	325
Total Behavioral Disabilities		158,162	26,201	184,363	170,655	13,708

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	193,755	-	193,755	193,381	374
Other Salaries for Instruction	11-212-100-106	50,444	9,800	60,244	39,522	20,722
General Supplies	11-212-100-610	2,000	(68)	1,932	1,926	6
Other Objects	11-212-100-890	1,000	-	1,000	175	825
Total Multiple Disabilities		247,199	9,732	256,931	235,004	21,927
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	545,045	545	545,590	540,608	4,982
Other Salaries for Instruction	11-213-100-106	16,612	1,343	17,955	17,371	584
General Supplies	11-213-100-610	2,100	-	2,100	2,100	-
Total Resource Room		563,757	1,888	565,645	560,079	5,566
Autism:						
Salaries of Teachers	11-214-100-101	309,025	(11,601)	297,424	291,888	5,536
Other Salaries for Instruction	11-214-100-106	104,074	85,997	190,071	185,494	4,577
Purchased Professional- Services	11-214-100-320	-	650	650	650	-
General Supplies	11-214-100-610	1,500	200	1,700	1,685	15
Textbooks	11-214-100-640	1,000	-	1,000	349	651
Total Autism		415,599	75,246	490,845	480,066	10,779
Preschool Disabilities - Part-Time:						
General Supplies	11-215-100-600	-	592	592	541	51
Total Preschool Disabilities - Part-Time		-	592	592	541	51
Preschool Disabilities - Full Time:						
Salaries of Teachers	11-216-100-101	118,420	900	119,320	118,082	1,238
Other Salaries for Instruction	11-216-100-106	55,020	6,745	61,765	25,974	35,791
General Supplies	11-216-100-600	600	(592)	8	-	8
Other Objects	11-216-100-890	500	-	500	-	500
Total Preschool Disabilities - Full-Time		174,540	7,053	181,593	144,056	37,537
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	1,219,166	(1,840)	1,217,326	1,101,207	116,119
Total Basic Skills/Remedial		1,219,166	(1,840)	1,217,326	1,101,207	116,119
Bilingual Education - Instruction:						
Salaries	11-240-100-101	142,770	6,417	149,187	134,752	14,435
Total Bilingual Education - Instruction		142,770	6,417	149,187	134,752	14,435
Total Special Education		5,130,859	199,672	5,330,531	5,018,019	312,512
Other Instructional Programs:						
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-101	57,650	(640)	57,010	53,864	3,146
Other Salaries for Instruction	11-401-100-106	4,000	-	4,000	1,977	2,023
Supplies & Materials	11-401-100-600	-	3,580	3,580	2,031	1,549
Total School Sponsored Cocurricular Activities		61,650	2,940	64,590	57,872	6,718
Before/After School Programs - Instruction:						
Salaries	11-421-100-101	14,700	-	14,700	11,193	3,507
Purchased Services	11-421-100-300	5,250	600	5,850	3,975	1,875
Supplies and Materials	11-421-100-600	500	-	500	-	500
Other Objects	11-421-100-890	8,500	-	8,500	5,760	2,740
Total Before/After School Programs - Instruction		28,950	600	29,550	20,928	8,622
Total Other Instructional Programs		90,600	3,540	94,140	78,800	15,340

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction:						
Tuition Other LEA's Reg	11-000-100-561	-	21,168	21,168	16,153	5,015
Tuition to CSSD & Regional Day Schools	11-000-100-565	213,751	(55,691)	158,060	84,261	73,799
Tuition Private School SpEd	11-000-100-566	176,757	(12,692)	164,065	158,393	5,672
Tuition SpEd Other	11-000-100-569	51,792	-	51,792	51,792	-
Total Undistributed Expenditures - Instruction		442,300	(47,215)	395,085	310,599	84,486
Attendance & Social Work Services:						
Salaries	11-000-211-100	61,900	354	62,254	62,254	-
Purchased Professional Services	11-000-211-300	35,400	219	35,619	35,619	-
Total Attendance & Social Work Services		97,300	573	97,873	97,873	-
Health Services:						
Salaries	11-000-213-100	216,677	(8,555)	208,122	199,533	8,589
Purchased Professional & Supplies and Materials	11-000-213-300	13,000	700	13,700	10,450	3,250
Misc	11-000-213-600	14,500	459	14,959	14,682	277
	11-000-213-890	600	(282)	318	-	318
Total Health Services		244,777	(7,678)	237,099	224,665	12,434
Other Support Services - Speech, OT, PT & Related:						
Salaries	11-000-216-100	735,250	(47,333)	687,917	686,456	1,461
Purchased Professional & Supplies and Materials	11-000-216-320	102,800	45,423	148,223	132,907	15,316
Other Objects	11-000-216-600	5,000	-	5,000	4,827	173
	11-000-216-890	1,500	-	1,500	-	1,500
Total Other Support Services - Students - Related Services:		844,550	(1,910)	842,640	824,190	18,450
Other Support Services - Students - Extraordinary:						
Salaries	11-000-217-110	624,660	87,139	711,799	685,768	26,031
Purchased Professional Services	11-000-217-320	298,000	(15,505)	282,495	160,034	122,461
General Supplies	11-000-217-600	8,750	-	8,750	6,426	2,324
Total Other Support Services - Students - Extraordinary:		931,410	71,634	1,003,044	852,228	150,816
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	300,837	1	300,838	300,838	-
Supplies & Materials	11-000-218-600	-	223	223	201	22
Total Other Support Services - Students - Regular:		300,837	224	301,061	301,039	22
Other Support Services - Students - Special Services:						
Salaries of Other Professional	11-000-219-104	950,291	(33,650)	916,641	877,412	39,229
Salaries of Secretarial & Clerical Ass ^l	11-000-219-105	168,636	-	168,636	168,636	-
Purchased Professional Education Services	11-000-219-320	19,650	2,000	21,650	19,470	2,180
Other Purchased Services	11-000-219-500	250	75	325	318	7
Supplies & Materials	11-000-219-600	21,000	(2,632)	18,368	12,715	5,653
Total Other Support Services - Students - Special Services:		1,159,827	(34,207)	1,125,620	1,078,551	47,069
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Secretarial & Clerical	11-000-221-105	30,186	-	30,186	30,186	-
Purchased Professional Education Services	11-000-221-320	1,400	200	1,600	1,600	-
Supplies and Materials	11-000-221-600	2,000	(63)	1,937	1,935	2
Other Objects	11-000-221-890	600	-	600	589	11
Total Improvement of Instruction Services/Other Support Services - Instructional Staff:		34,186	137	34,323	34,310	13

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Educational Media Services/School Library:						
Salaries	11-000-222-100	267,909	(3,337)	264,572	264,572	-
Purchased Professional/Tech Services	11-000-222-300	5,600	-	5,600	3,920	1,680
Supplies and Materials	11-000-222-600	20,800	-	20,800	14,182	6,618
Total Educational Media Services/School Library		294,309	(3,337)	290,972	282,674	8,298
Instructional Staff Training Services:						
Purchased Professional - Educational Staff	11-000-223-320	15,800	63	15,863	15,863	-
Other Purchased Services	11-000-223-500	38,500	(1,175)	37,325	20,021	17,304
Total Instructional Staff Training Services		54,300	(1,112)	53,188	35,884	17,304
Support Services General Administration:						
Salaries	11-000-230-100	300,200	(300)	299,900	297,244	2,656
Legal Services	11-000-230-331	28,630	15,219	43,849	35,737	8,112
Audit Fees	11-000-230-332	38,000	2,000	40,000	37,100	2,900
Architectural/Engineering Services	11-000-230-334	-	20,042	20,042	10,313	9,729
Other Purchased Professional Services	11-000-230-339	17,000	(805)	16,195	15,254	941
Purchased Technical Services	11-000-230-340	4,800	-	4,800	4,735	65
Communications/Telephone	11-000-230-530	112,843	41,130	153,973	118,949	35,024
Travel BOE	11-000-230-585	17,075	(700)	16,375	10,540	5,835
Other Purchased Services	11-000-230-590	147,832	(14,832)	133,000	127,057	5,943
General Supplies	11-000-230-610	3,000	1,219	4,219	3,962	257
BOE In-House Training/Meeting Supplies	11-000-230-630	2,500	-	2,500	1,283	1,217
Judgments Against District	11-000-230-820	-	3,200	3,200	2,822	378
Miscellaneous Expenditures	11-000-230-890	4,281	200	4,481	4,426	55
BOE Membership Dues & Fees	11-000-230-895	15,000	-	15,000	13,204	1,796
Total Support Services General Administration		691,161	66,373	757,534	682,626	74,908
Support Services School Administration:						
Salaries of Principals Assistant Principals	11-000-240-103	1,008,370	(3,584)	1,004,786	1,004,786	-
Salaries of Secretarial & Clerical	11-000-240-105	275,092	(2,082)	273,010	270,664	2,346
Other Salaries	11-000-240-110	-	5,175	5,175	5,108	67
Purchased Professional & Tech Services	11-000-240-300	14,500	-	14,500	11,938	2,562
Supplies & Materials	11-000-240-600	8,000	-	8,000	7,812	188
Total Support Services School Administration		1,305,962	(491)	1,305,471	1,300,308	5,163
Central Services:						
Salaries	11-000-251-100	326,421	2,134	328,555	328,555	-
Purchased Professional Services	11-000-251-330	40,600	-	40,600	39,866	734
Miscellaneous Purchased Services	11-000-251-592	2,400	-	2,400	423	1,977
Supplies & Materials	11-000-251-600	10,125	(550)	9,575	8,435	1,140
Miscellaneous Expenditures	11-000-251-890	2,500	-	2,500	1,860	640
Total Central Services		382,046	1,584	383,630	379,139	4,491
Administrative Information Technology:						
Salaries	11-000-252-100	257,123	(17,136)	239,987	233,769	6,218
Purchased Technical Services	11-000-252-340	229,770	3,390	233,160	172,793	60,367
Other Purchased Services	11-000-252-500	4,000	-	4,000	-	4,000
Supplies and Materials	11-000-252-600	42,650	6,888	49,538	42,494	7,044
Total Administrative Information Technology		533,543	(6,858)	526,685	449,056	77,629
Required Maintenance for School Facilities:						
Salaries	11-000-261-100	279,124	(15,000)	264,124	236,603	27,521
Cleaning, Repair & Maintenance	11-000-261-420	174,023	4,081	178,104	143,944	34,160
General Supplies	11-000-261-610	103,068	53,259	156,327	124,790	31,537
Other Objects	11-000-261-890	22,075	-	22,075	16,342	5,733
Total Allowable Maintenance For School Facilities		578,290	42,340	620,630	521,679	98,951

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

	ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	749,194	2,011	751,205	736,759	14,446
Cleaning, Repair & Maintenance	11-000-262-420	35,992	(4,000)	31,992	21,644	10,348
Other Purchased Property Services	11-000-262-490	48,262	7,000	55,262	49,879	5,383
Insurance	11-000-262-520	188,763	(12,008)	176,755	176,755	-
General Supplies	11-000-262-610	99,305	(19,190)	80,115	72,459	7,656
Energy (Natural Gas)	11-000-262-621	193,600	31,100	224,700	200,555	24,145
Energy (Electricity)	11-000-262-622	453,253	53,900	507,153	331,473	175,680
Total Operation & Maintenance of Plant Services		1,768,369	58,813	1,827,182	1,589,524	237,658
Undistributed Expenditures - Care & Upkeep of Grounds:						
Purchased Professional and Technical Services	11-000-263-300	116,156	6,910	123,066	106,040	17,026
General Supplies	11-000-263-610	28,300	9,807	38,107	34,789	3,318
Total Undistributed Expenditures - Care & Upkeep of Grounds		144,456	16,717	161,173	140,829	20,344
Security:						
Salaries	11-000-266-100	168,356	(15,869)	152,487	142,094	10,393
Other Purchased Services	11-000-266-300	160,328	-	160,328	142,076	18,252
Security Purchased Services	11-000-266-420	15,000	-	15,000	11,809	3,191
General Supplies	11-000-266-610	10,400	1,420	11,820	10,312	1,508
Total Security		354,084	(14,449)	339,635	306,291	33,344
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	196,717	30,211	226,928	224,798	2,130
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,069,721	10,694	1,080,415	1,077,753	2,662
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	352,176	19,059	371,235	361,093	10,142
Salaries for Pupil Transportation (Other than Between Home & School)	11-000-270-162	10,000	7,668	17,668	17,668	-
Other Purchased Professional & Technical Services	11-000-270-390	22,050	-	22,050	17,111	4,939
Cleaning, Repair & Maintenance Services	11-000-270-420	2,000	-	2,000	-	2,000
Contracted Services - Aid in Lieu - Non Public Schools	11-000-270-503	54,000	21,416	75,416	49,219	26,197
Contract Svc (Aid-In-Lieu)-Choice Students	11-000-270-505	-	2,334	2,334	2,334	-
Contracted Services - Jointure Agreements - (Special Education)	11-000-270-515	40,000	(8,891)	31,109	21,060	10,049
Contracted Services - ESC's & CTSA Agreements - (Regular Students)	11-000-270-517	100,000	1,906	101,906	81,648	20,258
Contracted Services - ESC's & CTSA's - (Special Education Students)	11-000-270-518	315,500	103,455	418,955	403,531	15,424
Miscellaneous Purchased Services - Transportation	11-000-270-593	90,000	(13,243)	76,757	76,757	-
General Supplies	11-000-270-610	2,000	(708)	1,292	1,056	236
Transportation Supplies	11-000-270-615	283,000	23,197	306,197	288,007	18,190
Miscellaneous Expenditures	11-000-270-890	5,805	1,050	6,855	6,595	260
Total Student Transportation Services		2,542,969	198,148	2,741,117	2,628,630	112,487
Unallocated Benefits Employee Benefits:						
Group Insurance	11-000-291-210	1,000	-	1,000	854	146
Social Security Contributions	11-000-291-220	526,087	-	526,087	327,937	198,150
Other Retirement Contributions - PERS	11-000-291-241	780,000	-	780,000	753,920	26,080
Other Retirement Contributions - Regular	11-000-291-249	37,000	9,166	46,166	45,703	463
Unemployment Compensation	11-000-291-250	136,453	-	136,453	86,634	49,819
Workman's Compensation	11-000-291-260	341,058	45,219	386,277	386,276	1
Health Benefits	11-000-291-270	6,779,416	(327,860)	6,451,556	5,787,185	664,371
Tuition Reimbursement	11-000-291-280	30,000	-	30,000	18,864	11,136
Other Employee Benefits	11-000-291-290	23,800	-	23,800	9,704	14,096
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	60,000	-	60,000	51,675	8,325
Total Unallocated Benefits - Employee Benefits		8,714,814	(273,475)	8,441,339	7,468,752	972,587

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

ACCOUNT NUMBERS	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Nonbudgeted:						
On-Behalf TPAF Pension Contributions	-	-	-	6,351,551	(6,351,551)	
On-Behalf TPAF Medical Contributions	-	-	-	1,668,537	(1,668,537)	
On-Behalf TPAF Long-Term Disability	-	-	-	2,178	(2,178)	
Reimbursed TPAF Social Security	-	-	-	1,342,189	(1,342,189)	
Total Undistributed Expenditures	21,419,490	65,811	21,485,301	28,873,302	(7,388,001)	
Total Expenditures - Current Expense	36,095,202	99,449	36,194,651	42,915,321	(6,720,670)	
Capital Outlay:						
Equipment:						
Undistributed Expenditures:						
Care & Upkeep of Grounds	12-000-263-730	26,000	-	26,000	-	26,000
Student Transportation:						
Instructional Equipment	12-000-270-732	80,000	-	80,000	75,509	4,491
School Buses - Regular	12-000-270-733	105,006	1	105,007	-	105,007
School Buses - Special	12-000-270-734	71,360	-	71,360	-	71,360
Total Equipment		282,366	1	282,367	75,509	206,858
Facilities Acquisition & Construction Services:						
Other Objects	12-000-400-800	118,421	-	118,421	118,421	-
Total Facilities Acquisition & Construction Services		118,421	-	118,421	118,421	-
Total Capital Outlay		400,787	1	400,788	193,930	206,858
Transfer of Funds to Charter Schools	10-000-100-560	-	55,691	55,691	55,691	-
Total Expenditures		36,495,989	155,141	36,651,130	43,164,942	(6,513,812)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,265,877)	(155,141)	(2,421,018)	1,157,544	3,578,562
Other Financing Sources/(Uses):						
Local Contribution-Transfer to Special Revenue Inclusion	11-105-100-936	(781,492)	-	(781,492)	(781,492)	-
Total Other Financing Sources/(Uses)		(781,492)	-	(781,492)	(781,492)	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(3,047,369)	(155,141)	(3,202,510)	376,052	3,578,562
Fund Balances, July 1		10,578,436	-	10,578,436	10,578,436	-
Fund Balances, June 30		\$ 7,531,067	\$ (155,141)	\$ 7,375,926	\$ 10,954,488	\$ 3,578,562

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 1,011,515
Maintenance Reserve	1,134,928
Emergency Reserve	30,813
Excess Surplus	4,256,676
Excess Surplus Designated for Subsequent Year's Expenditures	3,576,036
Committed Fund Balance:	
Year-end Encumbrances	30,555
Unassigned Fund Balance	913,965
Subtotal	10,954,488
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(291,761)
Fund Balance per Governmental Funds (GAAP)	\$ 10,662,727

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

REVENUES	JUNE 30, 2023				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Local Sources	\$ -	\$ 85,715	\$ 85,715	\$ 83,577	\$ (2,138)
State Sources	5,903,092	109,587	6,012,679	4,717,630	(1,295,049)
Federal Sources	2,978,409	444,846	3,423,255	2,605,706	(817,549)
Total Revenues	8,881,501	640,148	9,521,649	7,406,913	(2,114,736)
EXPENDITURES:					
Instruction:					
Salaries of Teachers/Aides	3,821,308	18,366	3,839,674	2,947,032	892,642
Purchased Services	63,000	31,344	94,344	85,340	9,004
Tuition	400,000	479,654	879,654	703,447	176,207
General Supplies	450,300	345,844	796,144	598,745	197,399
Miscellaneous	-	4,500	4,500	1,624	2,876
Total Instruction	4,734,608	879,708	5,614,316	4,336,188	1,278,128
Support Services:					
Salaries	1,833,951	(52,250)	1,781,701	1,502,650	279,051
Personal Services - Employee Benefits	1,162,344	354,686	1,517,030	1,357,565	159,465
Purchased Professional Services	395,173	322,665	717,838	494,787	223,051
Other Purchased Services (400-500 Series)	103,740	154,790	258,530	232,472	26,058
Travel	1,000	-	1,000	733	267
Equipment	1,141,232	(1,066,702)	74,530	19,173	55,357
Supplies & Materials	290,945	47,251	338,196	244,837	93,359
Total Support Services	4,928,385	(239,560)	4,688,825	3,852,217	836,608
Total Expenditures	9,662,993	640,148	10,303,141	8,188,405	2,114,736
Total Outflows	9,662,993	640,148	10,303,141	8,188,405	2,114,736
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(781,492)	-	(781,492)	(781,492)	-
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	781,492	-	781,492	781,492	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 44,322,486	\$ 7,406,913
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	272,805	498,432
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(291,761)	(36,415)
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	688,961
Current Year	-	(133,561)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 44,303,530	\$ 8,424,330
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 43,164,942	\$ 8,188,405
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year	-	688,961
Current Year	-	(133,561)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 43,164,942	\$ 8,743,805

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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BERKELEY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0597851935%	0.0615388110%	0.0623227087%	0.0594342314%	0.0594557900%	0.0560021381%	0.0588000223%	0.0579620293%	0.0551214156%	0.0560664683%
School District's proportionate share of the net pension liability	\$ 9,022,409	\$ 7,290,195	\$ 10,163,204	\$ 10,709,147	\$ 11,706,548	\$ 13,036,403	\$ 17,414,880	\$ 13,011,314	\$ 10,320,237	\$ 10,142,056
School District's covered payroll	\$ 4,362,951	\$ 4,403,723	\$ 4,358,069	\$ 4,480,849	\$ 4,075,482	\$ 4,068,059	\$ 3,986,054	\$ 4,345,256	\$ 3,938,548	\$ 3,698,454
School District's proportionate share of the net pension liability as a percentage of its covered payroll	206.80%	165.55%	239.00%	287.24%	320.46%	436.90%	299.44%	262.03%	274.22%	274.22%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

BERKELEY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 753,920	\$ 720,691	\$ 681,779	\$ 578,120	\$ 591,393	\$ 518,800	\$ 522,371	\$ 498,318	\$ 454,413	\$ 399,845
Contributions in relation to the contractually required contribution	(753,920)	(720,691)	(681,779)	(578,120)	(591,393)	(518,800)	(522,371)	(498,318)	(454,413)	(399,845)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,362,951	\$ 4,403,723	\$ 4,358,069	\$ 4,578,030	\$ 4,480,849	\$ 4,075,482	\$ 4,068,059	\$ 3,986,054	\$ 4,345,256	\$ 3,938,548
Contributions as a percentage of covered payroll	17.28%	16.37%	15.64%	12.63%	13.20%	12.73%	12.84%	12.50%	10.46%	10.15%

BERKELEY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	77,193,286	69,789,983	88,650,697	79,995,402	82,462,769	86,966,031	101,993,739	79,576,224	67,681,768	65,378,394
School District's covered payroll	\$ 77,193,286	\$ 69,789,983	\$ 79,995,402	\$ 82,462,769	\$ 86,966,031	\$ 101,993,739	\$ 79,576,224	\$ 67,681,768	\$ 65,378,394	\$ 65,378,394
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS
(GASB 75)**

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EXHIBIT M-1

BERKELEY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
 LAST SIX FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 4,838,815	\$ 5,479,136	\$ 2,827,925	\$ 2,828,137	\$ 3,119,528	\$ 3,754,981
Interest Cost	2,295,967	2,674,300	2,480,855	3,032,045	3,202,466	2,764,944
Changes in Benefit Terms	-	(109,728)	-	-	-	-
Difference between Expected and Actual Experiences	1,852,753	(18,377,201)	21,908,573	(12,351,853)	(6,339,691)	-
Changes of Assumptions	(23,241,058)	101,708	21,072,573	1,029,079	(8,783,057)	(11,485,657)
Contributions: Member	72,958	68,369	60,873	62,803	70,733	74,469
Gross Benefit Payments	(2,274,223)	(2,106,600)	(2,008,348)	(2,118,678)	(2,046,585)	(2,022,379)
Net Change in Total OPEB Liability	(16,454,788)	(12,270,016)	46,342,451	(7,518,467)	(10,776,606)	(6,913,642)
Total OPEB Liability (Beginning)	103,091,436	115,361,452	69,019,001	76,537,468	87,314,074	94,227,716
Total OPEB Liability (Ending)	\$ 86,636,648	\$ 103,091,436	\$ 115,361,452	\$ 69,019,001	\$ 76,537,468	\$ 87,314,074
District's Covered Employee Payroll***	\$ 24,462,546	\$ 23,616,940	\$ 23,149,470	\$ 21,994,448	\$ 20,495,982	\$ 20,173,587
Net OPEB Liability as a Percentage of Payroll	354%	437%	498%	348%	373%	433%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

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OTHER SUPPLEMENTARY INFORMATION

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E. Special Revenue Fund

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

	ESEA			PRESCHOOL EDUCATION AID	IDEA-B BASIC	IDEA-B PRESCHOOL
	TITLE I	TITLE II-A	TITLE IV			
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	4,608,144	-	-
Federal Sources	521,046	93,368	28,067	-	535,757	39,043
Total Revenues	\$ 521,046	\$ 93,368	\$ 28,067	\$ 4,608,144	\$ 535,757	\$ 39,043
Expenditures:						
Instruction:						
Salaries of Teachers/Aides	\$ 307,503	\$ -	\$ 5,523	\$ 2,392,776	\$ -	\$ 34,719
General Supplies	55,150	10,000	16,565	112,099	78,000	1,668
Purchased Services	11,572	68,368	5,400	-	-	-
Tuition	-	-	-	-	427,758	-
Miscellaneous	1,624	-	-	-	-	-
Total Instruction	375,849	78,368	27,488	2,504,875	505,758	36,387
Support Services:						
Other Professional Staff Salaries	-	-	-	1,282,854	-	-
Purchased Professional Services	-	15,000	-	199,279	29,999	-
Other Purchased Services	-	-	-	68,682	-	-
Employee Benefits	145,197	-	579	1,110,002	-	2,656
Supplies	-	-	-	89,628	-	-
Travel	-	-	-	733	-	-
Other Objects	-	-	-	118,708	-	-
Total Support Services	145,197	15,000	579	2,869,886	29,999	2,656
Capital Outlay						
Instructional Equipment	-	-	-	14,875	-	-
Total Capital Outlay	-	-	-	14,875	-	-
Total Expenditures	521,046	93,368	28,067	5,389,636	535,757	39,043
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	(781,492)	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	781,492	-	-
Total Transfer from Operating Budget - PreK	-	-	-	781,492	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	CARES	ARP - IDEA BASIC	ARP - IDEA PRESCHOOL	CRRSA - ESSER II	ESSER II - LEARNING ACCELERATION	ESSER II - MENTAL HEALTH
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	90	35,628	1,017	218,091	18,831	23,787
Total Revenues	\$ 90	\$ 35,628	\$ 1,017	\$ 218,091	\$ 18,831	\$ 23,787
Expenditures:						
Instruction:						
Salaries of Teachers/Aides	\$ -	\$ -	\$ -	\$ 35,427	\$ -	\$ -
General Supplies	90	33,210	-	103,355	10,231	-
Purchased Services	-	-	-	-	-	-
Tuition	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Instruction	90	33,210	-	138,782	10,231	-
Support Services:						
Other Professional Staff Salaries	-	-	-	4,207	-	7,623
Purchased Professional Services	-	2,418	1,017	10,000	8,600	16,164
Other Purchased Professional Services	-	-	-	60,804	-	-
Employee Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Total Support Services	-	2,418	1,017	75,011	8,600	23,787
Capital Outlay						
Instructional Equipment	-	-	-	4,298	-	-
Total Capital Outlay	-	-	-	4,298	-	-
Total Expenditures	90	35,628	1,017	218,091	18,831	23,787
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	-
Total Transfer from Operating Budget - PreK	-	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	ARP - ESSER III	ESSER III - LEARNING ACCELERATION	ESSER III - SUMMER LEARNING	ESSER III - BEYOND SCHOOL	ESSER III - MENTAL HEALTH
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	852,707	146,612	18,040	28,622	45,000
Total Revenues	\$ 852,707	\$ 146,612	\$ 18,040	\$ 28,622	\$ 45,000
Expenditures:					
Instruction:					
Salaries of Teachers/Aides	\$ 112,781	\$ -	\$ 16,779	\$ -	\$ -
General Supplies	159,180	-	-	-	-
Purchased Services	-	-	-	-	-
Tuition	275,689	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Instruction	547,650	-	16,779	-	-
Support Services:					
Other Staff Salaries	76,085	96,285	-	26,278	-
Purchased Prof Services	140,725	6,547	-	-	45,000
Other Purchased Prof Services	-	-	-	-	-
Employee Benefits	51,746	43,780	1,261	2,344	-
Supplies	36,501	-	-	-	-
Travel	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Support Services	305,057	146,612	1,261	28,622	45,000
Capital Outlay					
Instructional Equipment	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Total Expenditures	852,707	146,612	18,040	28,622	45,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Other Financing Sources/(Uses):					
Transfer from Operating Budget - PreK	-	-	-	-	-
Total Transfer from Operating Budget - PreK	-	-	-	-	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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

	SDA EMERENT NEEDS & CAPITAL MAINTENANCE	CLIMATE AWARENESS	PROJECT STARFISH	SAFETY GRANT	OTHERS	TOTAL 2023
Revenues:						
Local Sources	\$ -	\$ -	\$ 55,296	\$ 20,038	\$ 8,243	\$ 83,577
State Sources	102,986	6,500	-	-	-	4,717,630
Federal Sources	-	-	-	-	-	2,605,706
Total Revenues	\$ 102,986	\$ 6,500	\$ 55,296	\$ 20,038	\$ 8,243	\$ 7,406,913
Expenditures:						
Instruction:						
Salaries of Teachers/Aides	\$ -	\$ -	\$ 41,524	\$ -	\$ -	\$ 2,947,032
General Supplies	-	6,500	4,454	-	8,243	598,745
Purchased Services	-	-	-	-	-	85,340
Tuition	-	-	-	-	-	703,447
Miscellaneous	-	-	-	-	-	1,624
Total Instruction	-	6,500	45,978	-	8,243	4,336,188
Support Services:						
Other Staff Salaries	-	-	9,318	-	-	1,502,650
Purchased Prof Services	-	-	-	20,038	-	494,787
Other Purchased Prof Services	102,986	-	-	-	-	232,472
Employee Benefits	-	-	-	-	-	1,357,565
Supplies	-	-	-	-	-	126,129
Travel	-	-	-	-	-	733
Other Objects	-	-	-	-	-	118,708
Total Support Services	102,986	-	9,318	20,038	-	3,833,044
Capital Outlay						
Instructional Equipment	-	-	-	-	-	19,173
Total Capital Outlay	-	-	-	-	-	19,173
Total Expenditures	102,986	6,500	55,296	20,038	8,243	8,188,405
Excess/(Deficiency) of Revenues Over/(Under) Expenditures:	-	-	-	-	-	(781,492)
Other Financing Sources/(Uses):						
Transfer from Operating Budget - PreK	-	-	-	-	-	781,492
Total Transfer from Operating Budget - PreK	-	-	-	-	-	781,492
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	BUDGETED		ACTUAL		VARIANCE
Expenditures:					
Instruction:					
Salaries of Teachers/Aides	\$ 2,632,150	\$	2,392,776	\$	239,374
General Supplies	137,000		112,099		24,901
Purchased Services	8,000		-		8,000
			<hr/>		
Total Instruction	2,777,150		2,504,875		272,275
			<hr/>		
Support Services:					
Other Professional Staff Salaries	1,311,366		1,282,854		28,512
Other Purchased Professional Services	323,390		68,682		254,708
Employee Benefits	1,118,260		1,110,002		8,258
Supplies	89,628		89,628		-
Travel	1,000		733		267
Miscellaneous	212,067		118,708		93,359
			<hr/>		
Total Support Services	3,055,711		2,869,886		185,825
			<hr/>		
Capital Outlay:					
Instructional Equipment	70,232		14,875		55,357
			<hr/>		
Total Capital Outlay	70,232		14,875		55,357
			<hr/>		
Total Expenditures	\$ 5,903,093	\$	5,389,636	\$	513,457
			<hr/> <hr/>		

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2022-2023 Preschool Education Aid Allocation	\$ 5,079,698
Add: Actual Preschool Aid Carryover (June 30, 2022)	54,428
Add: Budget Transfer from General Fund - 2022-2023	781,492
	<hr/>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	5,915,618
Less: 2021-22 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	(5,903,093)
	<hr/>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	12,525
Add: June 30, 2022 Unexpended Preschool Education Aid Funds	513,457
	<hr/>
2022-2023 Carryover - Preschool Education Aid Funds	\$ 525,982
	<hr/> <hr/>
2022-2023 Preschool Education Aid Funds Carryover Budgeted in 2023-2024	\$ -
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Enterprise Funds

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I. Long-Term Debt

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS DATE	ANNUAL PAYMENTS AMOUNT	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2022	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2023
2010 Refunding Issue	3/25/2010	\$ 16,760,000				\$ 1,940,000	\$ 1,940,000	\$ -
Total						\$ 1,940,000	\$ 1,940,000	\$ -

**BERKELEY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF LEASE OBLIGATIONS
JUNE 30, 2023**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2022	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2023
1- Savin Copiers	5.28%	\$ 15,089	\$ 1,450	\$ 1,450	\$ -
6 - Savin Copiers	5.00%	87,881	45,214	17,976	27,238
5- Savin Copiers	4.00%	94,426	66,508	23,272	43,236
Total			\$ 113,172	\$ 42,698	\$ 70,474

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

	JUNE 30, 2023		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Revenues:			
Local Sources:			
Local Tax Levy	\$ 1,988,500	\$ 1,988,500	\$ 1,988,500
Total Revenues	1,988,500	1,988,500	1,988,500
Expenditures:			
Regular Debt Service:			
Interest on Bonds	48,500	48,500	48,500
Principal on Bonds	1,940,000	1,940,000	1,940,000
Total Regular Debt Service	1,988,500	1,988,500	1,988,500
Total Expenditures	1,988,500	1,988,500	1,988,500
Fund Balance, July 1	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

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Financial Trend Information

Financial trend information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial trends.

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BERKELEY TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 17,106,430	\$ 16,448,815	\$ 15,846,487	\$ 15,404,540	\$ 15,178,552	\$ 14,657,329	\$ 18,484,466	\$ 18,869,406	\$ 17,953,242	\$ 17,810,211
Restricted	10,009,968	8,770,923	7,764,367	7,374,959	7,304,789	6,852,109	6,967,786	6,573,286	7,139,245	6,624,847
Unrestricted	(10,129,678)	(10,837,866)	(12,428,193)	(13,197,110)	(13,112,492)	(12,376,376)	(12,153,084)	(12,010,544)	(11,636,605)	(1,022,895)
Total Governmental Activities	\$ 16,986,720	\$ 14,381,872	\$ 11,182,661	\$ 9,370,849	\$ 9,133,062	\$ 13,299,168	\$ 13,432,148	\$ 13,455,882	\$ 23,412,163	\$ 22,669,819
Business-Type Activities:										
Net Investment in Capital Assets	\$ 39,984	\$ 49,964	\$ 59,903	\$ 69,842	\$ 85,921	\$ 105,183	\$ 83,711	\$ 117,704	\$ 160,303	\$ 169,905
Unrestricted	84,487	50,998	10,461	207,491	131,082	91,312	40,281	(40,151)	(71,959)	(78,560)
Total Business-Type Activities	\$ 124,471	\$ 100,962	\$ 70,364	\$ 217,003	\$ 196,495	\$ 123,992	\$ 77,553	\$ 88,344	\$ 91,345	\$ 68,387
Government-Wide:										
Net Investment in Capital Assets	\$ 17,146,414	\$ 16,498,779	\$ 15,906,390	\$ 15,474,382	\$ 15,264,473	\$ 14,762,512	\$ 18,568,177	\$ 18,987,110	\$ 18,113,545	\$ 17,980,116
Restricted	10,009,968	8,821,921	7,774,828	7,582,450	7,435,871	6,943,421	7,008,067	6,533,135	7,067,286	6,546,287
Unrestricted	(10,045,191)	(10,837,866)	(12,428,193)	(13,197,110)	(13,112,492)	(12,376,376)	(12,153,084)	(12,010,544)	(11,636,605)	(1,022,895)
Total Government-Wide Net Position	\$ 17,111,191	\$ 14,482,834	\$ 11,253,025	\$ 9,587,852	\$ 9,329,557	\$ 13,423,160	\$ 13,509,701	\$ 13,544,226	\$ 23,503,508	\$ 22,738,206

Source: District ACFR, Schedule A-1
 *For the year ended June 30, 2022 net position was reclassified due to GASB 87.

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 9,420,983	\$ 9,278,942	\$ 8,897,654	\$ 8,550,953	\$ 8,544,563	\$ 8,284,309	\$ 7,742,541	\$ 7,671,751	\$ 7,332,300	\$ 7,445,934
Special Education	9,056,390	7,010,865	7,311,049	6,767,312	5,859,929	4,631,151	4,442,157	4,291,228	4,054,069	3,814,426
Other Special Education	1,290,498	1,283,937	791,598	1,175,644	1,067,948	1,084,592	1,062,339	970,198	1,056,857	989,410
Other Instruction	82,277	53,500	5,400	80,771	112,642	106,345	75,834	74,360	53,330	40,517
Support Services:										
Tuition	324,305	360,047	225,408	176,510	73,624	29,739	181,534	121,422	189,425	381,845
Student & Instruction Related										
Services	7,908,334	7,368,436	5,526,256	5,251,044	4,620,760	3,456,046	3,317,290	3,317,290	2,874,147	2,924,800
School Administrative Services	1,357,687	1,263,328	1,450,827	1,420,066	1,277,462	1,191,350	1,179,237	1,398,015	1,470,546	1,137,381
General & Business Administrative										
Services	1,577,489	1,525,294	1,700,525	1,540,315	1,472,181	1,553,661	1,584,360	1,418,970	1,350,321	1,370,664
Plant Operations & Maintenance	2,671,214	2,736,591	3,162,016	3,015,320	3,430,770	3,004,056	2,887,030	2,974,784	3,281,659	3,502,263
Pupil Transportation	2,744,623	2,375,201	1,734,147	1,898,150	1,866,097	1,803,581	1,675,610	1,698,304	1,629,219	1,567,695
Unallocated Benefits	12,891,176	14,438,977	19,591,043	15,238,650	17,169,444	20,190,826	12,191,771	11,841,433	12,095,470	8,345,637
Transfer to Charter Schools	55,691	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	142,660	244,400	283,656	300,652	373,784	450,531	622,925	508,044	547,701	592,303
Unallocated Depreciation	-	1,551,533	1,560,940	1,612,316	1,608,160	1,643,193	1,441,251	1,474,656	1,498,916	1,316,968
Total Governmental Activities	49,523,328	49,491,051	52,240,519	47,027,703	47,477,364	47,429,380	38,403,879	37,760,455	37,433,960	33,429,843
Expenses										
Business-Type Activities:										
Food Service	1,191,224	1,862,264	1,154,543	896,342	830,909	797,322	783,795	814,122	795,084	829,318
Bathing Cages	-	-	-	-	3,914	3,999	4,758	4,590	7,191	1,502
Tech Expo	-	500	-	1,281	2,459	2,547	1,564	3,330	1,689	-
Bridge Program	-	-	-	-	-	4,967	11,232	8,770	5,922	3,900
Total Business-Type Activities	1,191,224	1,862,764	1,154,543	897,623	837,282	808,835	801,349	830,812	809,886	834,720
Expense										
Total Government-Wide Expenses	\$ 50,714,552	\$ 51,353,815	\$ 53,395,062	\$ 47,925,326	\$ 48,314,646	\$ 48,238,215	\$ 39,205,228	\$ 38,591,267	\$ 38,243,846	\$ 34,264,563

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30										
Program Revenues:										
Governmental Activities:										
Grants & Contributions	\$ 15,200,602	\$ 16,446,656	\$ 18,429,275	\$ 13,023,734	\$ 13,151,552	\$ 13,992,777	\$ 6,386,648	\$ 5,806,844	\$ 6,427,408	\$ 3,089,390
Total Governmental Activities	\$ 15,200,602	\$ 16,446,656	\$ 18,429,275	\$ 13,023,734	\$ 13,151,552	\$ 13,992,777	\$ 6,386,648	\$ 5,806,844	\$ 6,427,408	\$ 3,089,390
Business-Type Activities:										
Charges for Services:										
Grants & Contributions	777,353	1,889,238	945,221	445,340	496,395	498,850	493,818	445,446	399,345	485,635
Food Service	433,593	4,696	2,171	231,185	337,069	325,506	338,273	355,136	373,533	366,073
Battling Cages	-	-	-	-	2,085	1,075	3,004	1,370	6,200	1,530
Tech Expo	-	-	-	1,850	2,300	3,050	2,000	3,150	3,500	-
Bridge Program	-	-	-	-	-	3,720	10,470	11,510	6,230	3,900
Total Business Type Activities	\$ 1,210,946	\$ 1,893,934	\$ 947,392	\$ 678,375	\$ 837,849	\$ 832,201	\$ 847,565	\$ 816,612	\$ 788,808	\$ 857,138
Total Government-Wide Program Revenues	\$ 16,411,548	\$ 18,340,590	\$ 19,376,667	\$ 13,702,109	\$ 13,989,401	\$ 14,824,978	\$ 7,234,213	\$ 6,623,456	\$ 7,216,216	\$ 3,946,528
Net (Expense)/Revenue:										
Governmental Activities	\$ (34,322,726)	\$ (33,044,395)	\$ (33,811,244)	\$ (34,003,969)	\$ (34,325,812)	\$ (33,436,603)	\$ (32,017,231)	\$ (31,953,611)	\$ (31,006,552)	\$ (30,340,453)
Business-Type Activities	19,722	31,170	(207,151)	(219,248)	567	23,366	46,216	(14,200)	(21,078)	22,418
Total Government-Wide Net Expense	\$ (34,303,004)	\$ (33,013,225)	\$ (34,018,395)	\$ (34,223,217)	\$ (34,325,245)	\$ (33,413,237)	\$ (31,971,015)	\$ (31,967,811)	\$ (31,027,630)	\$ (30,318,035)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 30,697,553	\$ 30,095,640	\$ 29,682,000	\$ 29,100,000	\$ 28,933,865	\$ 28,025,975	\$ 28,025,975	\$ 26,708,133	\$ 26,342,923	\$ 26,342,922
Taxes Levied for Debt Service	1,988,500	1,977,875	1,973,013	1,964,625	1,952,412	1,945,225	1,930,900	1,924,600	1,909,437	1,898,675
Unrestricted Grants & Contributions	3,535,100	3,407,644	3,002,592	2,801,389	2,709,567	2,580,215	1,168,635	2,487,816	2,430,648	4,753,511
Restricted State Aid	-	-	-	120,000	-	-	-	-	-	-
Tuition Received	14,316	60,227	406,280	187,753	279,442	449,866	131,003	205,149	147,841	-
Miscellaneous Income	692,106	542,008	347,631	411,742	577,964	371,349	378,616	354,248	361,478	514,165
Cancellation of CDL	-	-	-	-	-	249,122	-	-	-	-
Transfer from Other Funds	-	614	-	(250,000)	(9,651)	501,561	-	-	-	-
Total Governmental Activities	\$ 36,927,575	\$ 36,084,008	\$ 35,411,516	\$ 34,215,509	\$ 34,563,599	\$ 33,874,191	\$ 31,884,251	\$ 31,679,946	\$ 31,192,327	\$ 33,509,273

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30										
Business-Type Activities:										
Contract Budget Guarantee	-	-	-	25,000	-	-	-	3,308	17,838	-
Investment Earnings	3,787	42	182	7,950	10,290	9,335	223	101	239	540
Adjustment to Fixed Assets	-	-	-	(3,372)	-	39,802	-	-	-	-
Transfer from Other Funds	-	(614)	-	250,000	9,651	-	-	-	-	-
Total Business-Type Activities	3,787	(572)	182	279,578	19,941	49,137	223	3,409	18,077	540
Total Government-Wide	\$ 36,931,362	\$ 36,083,436	\$ 35,411,698	\$ 34,495,087	\$ 34,583,540	\$ 33,923,328	\$ 31,884,474	\$ 31,683,355	\$ 31,210,404	\$ 33,509,813
Change in Net Position:										
Governmental Activities	\$ 2,604,849	\$ 3,039,613	\$ 1,600,272	\$ 211,540	\$ 237,787	\$ 437,588	\$ (132,980)	\$ (273,665)	\$ 185,775	\$ 3,168,820
Business-Type Activities	23,509	30,598	(206,969)	60,330	20,508	72,503	46,439	(10,791)	(3,001)	22,958
Total Government-Wide	\$ 2,628,358	\$ 3,070,211	\$ 1,393,303	\$ 271,870	\$ 258,295	\$ 510,091	\$ (86,541)	\$ (284,456)	\$ 182,774	\$ 3,191,778

Source: District ACFR, Schedule A-2

BERKELEY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 10,009,968	\$ 8,770,923	\$ 7,764,367	\$ 7,374,959	\$ 7,304,789	\$ 6,852,109	\$ 6,967,786	\$ 5,798,042	\$ 5,963,248	\$ 5,657,157
Committed	30,555	155,141	411,164	465,809	272,848	548,973	286,659	768,094	1,175,997	967,690
Assigned	-	-	-	16,579	-	-	7,150	7,150	-	-
Unreserved	622,204	1,379,567	1,210,513	461,643	478,603	454,659	436,143	488,318	441,020	454,778
Total General Fund	\$ 10,662,727	\$ 10,305,631	\$ 9,386,044	\$ 8,318,990	\$ 8,056,240	\$ 7,855,741	\$ 7,697,738	\$ 7,061,604	\$ 7,580,265	\$ 7,079,625
All Other Governmental Funds:										
Special Revenue Fund	\$ (36,415)	\$ (498,432)	\$ (448,236)	\$ (287,461)	\$ (174,090)	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ (36,415)	\$ (498,432)	\$ (448,236)	\$ (287,461)	\$ (174,090)	\$ -	\$ -	\$ -	\$ -	\$ -

Source: District ACFR, Schedule B-1

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	FOR FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Tax Levy	\$ 32,686,053	\$ 32,073,515	\$ 31,655,013	\$ 31,064,625	\$ 30,886,277	\$ 29,971,200	\$ 29,956,875	\$ 28,632,733	\$ 28,252,360	\$ 28,241,597
Tuition Charges	14,316	60,227	406,280	187,753	279,442	449,866	131,003	205,149	147,841	168,419
Interest	160,593	28,560	28,021	42,541	42,938	28,058	22,372	10,715	10,790	27,505
Miscellaneous	615,090	592,943	381,403	505,345	443,096	387,139	388,003	343,533	350,688	486,660
State Sources	17,959,582	17,691,399	14,195,890	12,007,263	9,587,270	6,724,521	6,062,956	5,642,444	5,078,438	4,691,526
Federal Sources	3,280,726	1,772,800	1,385,649	1,289,538	1,729,260	1,694,273	1,460,568	1,416,178	818,382	825,835
Total Revenue	54,716,360	52,219,444	48,052,256	45,097,065	42,968,283	39,255,057	38,021,777	36,250,752	34,658,499	34,441,542
Expenditures:										
Instruction:										
Regular Instruction	8,945,200	9,278,861	8,968,775	8,550,953	8,544,563	8,284,309	7,742,541	7,671,751	7,332,300	7,445,934
Special Education	8,673,648	7,001,558	7,311,049	6,767,312	5,859,929	4,631,151	4,442,157	4,291,228	4,054,069	3,814,426
Instruction	1,235,959	1,282,232	791,598	1,175,644	1,067,948	1,084,592	1,062,339	970,198	1,056,857	989,410
Other Special Instruction	78,800	53,429	5,400	80,771	112,642	106,345	75,834	74,360	53,330	40,517
Support Services:										
Student & Instruction	7,894,230	7,718,223	5,751,664	5,427,554	4,694,384	3,485,785	3,498,824	3,225,769	3,016,809	3,344,773
Related Services	1,300,308	1,261,651	1,450,827	1,420,066	1,277,462	1,191,350	1,179,237	1,398,015	1,470,546	1,137,381
School Administrative	1,510,821	1,572,212	1,700,525	1,540,315	1,472,181	1,553,661	1,584,360	1,418,970	1,350,321	1,370,664
General & Business	2,558,323	2,732,959	2,862,360	2,696,740	2,996,757	2,993,578	2,887,030	2,875,250	2,958,646	3,496,792
Plant Operations & Maintenance	2,628,630	2,372,048	1,734,147	1,898,150	1,866,097	1,803,581	1,675,610	1,698,304	1,629,219	1,567,695
Pupil Transportation	16,833,207	15,766,082	14,021,079	12,663,878	12,284,760	11,545,730	10,702,011	10,127,602	8,979,813	8,404,046
Unallocated Benefits	75,509	215,116	551,545	481,138	884,157	368,415	585,177	1,093,366	711,723	612,332
Capital Outlay	55,691	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools	1,940,000	1,835,000	1,745,000	1,660,000	1,575,000	1,976,300	1,415,000	1,360,000	1,300,000	1,240,000
Debt Service:	166,921	261,296	346,434	423,046	495,833	588,907	634,321	564,600	609,437	658,675
Principal										
Interest & Other Charges										
Total Expenditures	53,897,247	51,350,667	47,240,403	44,785,567	43,131,713	39,613,704	37,484,441	36,769,413	34,523,070	34,122,645
Excess (Deficiency) of Revenues Over/(Under) Expenditures	819,113	868,777	811,853	311,498	(163,430)	(358,647)	537,336	(518,661)	135,429	318,897

BERKELEY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	FOR FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources/(Uses):										
Community Disaster Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,211	\$ 365,211
Capital Lease Proceeds	-	-	94,425	87,881	200,529	15,089	98,798	-	-	-
Transfers In/Out	-	614	-	(250,000)	(10,690)	501,561	-	-	-	-
Total Other Financing Sources/										
(Uses)	-	614	94,425	(162,119)	189,839	516,650	98,798	-	365,211	365,211
Net Change in Fund Balances	\$ 819,113	\$ 869,391	\$ 906,278	\$ 149,379	\$ 26,409	\$ 158,003	\$ 636,134	\$ (518,661)	\$ 500,640	\$ 684,108
Debt Service as a Percentage of										
Noncapital Expenditures	3.9%	4.1%	4.7%	4.7%	4.9%	6.5%	5.6%	5.4%	5.6%	5.7%

Source: District ACFR, Schedule B-2

BERKELEY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	INTERLOCAL SERVICES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2023	\$ 160,593	\$ 14,316	\$ 235,219	\$ -	\$ 296,294	\$ 706,422
2022	28,560	60,227	188,793	-	324,654	602,234
2021	28,021	406,280	213,992	-	105,619	753,912
2020	42,541	187,753	225,552	-	143,649	599,495
2019	42,938	279,442	208,719	-	126,816	657,915
2018	28,058	449,866	198,071	-	145,220	821,215
2017	22,372	131,003	199,706	-	156,538	509,619
2016	10,715	205,149	181,240	-	120,430	517,534
2015	10,790	147,841	177,880	-	131,946	468,457
2014	27,505	169,192	263,996	169,085	52,805	682,583

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	COMMUNICATION EQUIPMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2023	\$ 115,570,100	\$ 4,817,670,600	\$ -	\$ 10,700	\$ 268,776,400	\$ 18,567,100	\$ 65,549,800	\$ 6,159,513	\$ 5,292,304,213	\$ 1,329,414,800	\$ 6,621,719,013	0.618
2022	112,784,400	4,784,475,400	-	10,700	277,366,630	18,772,700	65,549,800	6,590,839	5,265,550,469	1,324,801,100	6,590,351,569	0.609
2021	119,659,200	4,734,246,000	-	10,400	281,332,300	16,968,500	65,549,800	5,677,362	5,223,443,562	1,317,137,300	6,540,580,862	0.606
2020	126,574,300	4,684,455,500	286,600	15,600	279,661,000	16,853,300	63,128,800	4,677,720	5,175,652,820	1,310,862,800	6,486,515,620	0.600
2019	135,728,900	4,637,597,300	905,300	16,200	280,660,700	16,853,300	60,521,100	3,910,890	5,136,193,690	1,306,073,600	6,442,267,290	0.601
2018	134,323,200	4,616,600,166	688,600	23,900	280,585,300	16,424,100	55,205,700	3,863,682	5,107,714,648	1,293,195,830	6,400,910,478	0.587
2017	139,576,200	4,610,354,810	688,600	23,900	285,904,700	23,692,500	55,205,700	3,989,190	5,119,433,600	1,281,759,500	6,401,195,100	0.586
2016	143,719,200	4,580,869,960	688,600	23,300	290,027,400	24,462,500	57,997,000	4,246,138	5,102,034,098	1,278,099,500	6,380,133,598	0.561
2015	149,897,200	4,565,575,860	688,600	23,300	291,170,700	24,462,500	57,997,000	4,196,262	5,094,011,422	1,274,856,100	6,368,867,522	0.555
2014	127,151,900	4,586,354,860	688,600	23,300	294,670,400	24,462,500	58,553,100	5,768,219	5,097,672,879	1,274,373,100	6,372,045,979	0.554

Source: Abstract of Ratables "Assessed Value by Classification"

**BERKELEY TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES					TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP		COUNTY			
				OF BERKELEY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE		
2023	0.618	0.477	1.095	0.715	0.413	0.039	0.015	2.277	
2022	0.609	0.478	1.087	0.696	0.392	0.041	0.013	2.229	
2021	0.606	0.475	1.081	0.696	0.397	0.042	0.013	2.229	
2020	0.600	0.466	1.066	0.656	0.372	0.041	0.013	2.148	
2019	0.601	0.466	1.067	0.656	0.384	0.040	0.013	2.160	
2018	0.587	0.436	1.023	0.628	0.378	0.039	0.012	2.080	
2017	0.586	0.436	1.022	0.628	0.369	0.038	0.012	2.069	
2016	0.561	0.425	0.986	0.610	0.366	0.038	0.012	2.012	
2015	0.555	0.383	0.938	0.610	0.357	0.038	0.012	1.955	
2014	0.554	0.382	0.936	0.567	0.353	0.039	0.012	1.907	

Source: Abstract of Ratables, Breakdown of General Tax Rate

**BERKELEY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2022		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET VALUATION TAXABLE
Plainfield Properties, LLC	\$ 28,289,800	1	0.53%
Quaker Malls LP	17,721,200	2	0.33%
Hovchild Partnership LLC	14,109,000	3	0.27%
Bayville Commons	13,000,000	4	0.25%
Berkeley Healthcare Assoc	11,500,000	5	0.22%
River Bay Gardens	10,321,200	6	0.20%
Holiday Propco LLC	10,000,000	7	0.19%
Millers Camp Inc	8,449,000	8	0.16%
Bay Housing Assoc	8,449,000	9	0.16%
Arlington Beach Co	8,038,800	10	0.15%
Total	<u>\$ 129,878,000</u>		<u>2.45%</u>

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2013		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET VALUATION TAXABLE
Hovchild Partnership LLC	\$ 34,976,300	1	0.68%
RK Creek LLC	28,289,800	2	0.55%
Baywick Plaza	23,404,000	3	0.45%
Quaker Mills	17,721,200	4	0.34%
Berkeley Healthcare Assoc	13,500,000	5	0.26%
NJ Pulverizing Co	11,500,000	6	0.22%
Barneгат Pier Co	9,338,800	7	0.18%
Shar-A-Dee Apartments	8,759,600	8	0.17%
Bay HSE c/o Bank NJ/NJ Corp Trust	8,691,700	9	0.17%
Millers Camp Inc	8,521,400	10	0.16%
Total	<u>\$ 164,702,800</u>		<u>3.18%</u>

Source: Municipal Tax Assessor and Treasurer

**BERKELEY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Unaudited)**

YEAR ENDED December 31,	TAXES LEVIED FOR THE YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 121,519,507	\$ 120,965,209	99.54%	N/A
2022	117,366,891	116,791,793	99.51%	575,098
2021	116,400,745	115,574,300	99.29%	826,445
2020	112,114,152	110,746,359	98.78%	1,367,793
2019	110,908,284	109,100,479	98.37%	1,807,805
2018	106,207,411	104,922,301	98.79%	1,285,110
2017	105,897,564	103,292,484	97.54%	2,605,080
2016	102,605,892	100,030,484	97.49%	2,575,408
2015	99,570,329	96,214,809	96.63%	3,355,520
2014	97,194,773	94,123,418	96.84%	3,071,355
2013	95,308,308	91,638,938	96.15%	3,669,370

Source: Municipal Tax Collector, Abstract of Ratables "Receipts from Delinquent Taxes"

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the school District's outstanding debt and its debt capacity.

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**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)
(Unaudited)**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PER CAPITA PERSONAL INCOME	% OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASES *	TOTAL DISTRICT		
2023	\$ -	\$ 70,474	\$ 70,474	N/A	N/A
2022	1,940,000	113,172	2,053,172	N/A	N/A
2021	3,775,000	159,598	3,934,598	\$ 60,823	1.55%
2020	5,520,000	108,276	5,628,276	57,344	1.02%
2019	7,180,000	66,702	7,246,702	53,517	0.73%
2018	8,755,000	113,621	8,868,621	51,725	0.57%
2017	10,250,000	141,815	10,391,815	50,356	0.48%
2016	11,665,000	84,133	11,749,133	48,826	0.41%
2015	13,025,000	121,121	13,146,121	47,267	0.36%
2014	14,325,000	74,358	14,399,358	45,197	0.31%

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

* Exhibit I-1, I-2, I-3; ACFR

BERKELEY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)
(Unaudited)

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA PERSONAL INCOME
	GENERAL OBLIGATION BONDS	DEDUCTIONS				
2022	\$ -	N/A		\$ -	0.000%	N/A
2022	1,940,000	N/A		1,940,000	0.037%	N/A
2021	3,775,000	N/A		3,775,000	0.072%	\$ 60,823
2020	5,520,000	N/A		5,520,000	0.106%	57,344
2019	7,180,000	N/A		7,180,000	0.139%	53,517
2018	8,755,000	N/A		8,755,000	0.170%	51,725
2017	10,250,000	N/A		10,250,000	0.201%	50,356
2016	11,665,000	N/A		11,665,000	0.228%	48,826
2015	13,025,000	N/A		13,025,000	0.255%	47,267
2014	14,325,000	N/A		14,325,000	0.281%	45,197
2013	15,565,000	N/A		15,565,000	0.305%	43,171

Sources: District records, Per Capita Personal income - NJ Dept of Labor

BERKELEY TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

GOVERNMENTAL UNIT		ESTIMATED PERCENTAGE APPLICABLE	DEBT OUTSTANDING
Overlapping Debts:			
Berkeley Township	\$ 71,415,386	100.000%	\$ 71,415,386
Berkeley Township Sewerage Authority (12/31/2021)	2,725,146	100.000%	2,725,146
Berkeley Township Municipal Utilities Authority (12/31/2022)	9,650,373	100.000%	9,650,373
Central Regional School District	-	70.124%	-
Ocean County Utilities Authority	89,913,539	5.368%	4,826,349
County of Ocean	497,859,761	5.368%	26,723,951
Subtotal, Overlapping Debt			115,341,205
Berkeley Township Board of Education Direct Debt			-
Total Direct & Overlapping Debt			\$ 115,341,205

Sources: Township of Berkeley, Annual Debt Statement as of December 31, 2022
Debt outstanding data provided by each governmental unit.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 158,367,233	\$ 147,511,186	\$ 143,653,922	\$ 139,770,397	\$ 135,664,768	\$ 131,997,175	\$ 129,246,721	\$ 127,774,393	\$ 128,834,143	\$ 132,936,829
Total Net Debt Applicable to Limit	-	1,940,000	3,775,000	5,520,000	7,180,000	8,755,000	10,250,000	11,665,000	13,025,000	14,325,000
Legal Debt Margin	\$ 158,367,233	\$ 145,571,186	\$ 134,250,397	\$ 128,484,768	\$ 123,242,175	\$ 118,996,721	\$ 116,109,393	\$ 115,809,143	\$ 118,611,829	\$ 123,918,856
Total Net Debt Applicable to the Limit as a % of Debt Limit	0.00%	1.32%	3.95%	5.29%	6.63%	7.93%	9.13%	10.11%	10.78%	11.16%

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis	
2020	\$ 5,881,824,146
2021	6,476,551,268
2022	6,645,692,498
	<u>\$ 19,004,067,912</u>
	<u>\$ 6,334,689,304</u>
Debt Limit (2.5 % of Average Equalized Valuation of Taxable Property)	\$ 158,367,233
Net Bonded School Debt	<u>\$ -</u>
Legal Debt Margin	<u>\$ 158,367,233</u>

Average Equalized Valuation of Taxable Property

Debt Limit (2.5 % of Average Equalized Valuation of Taxable Property)

Legal Debt Margin

Source: Equalized valuation bases were obtained from the Annual Debt Statement, Township of Berkeley

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Demographic and Economic Information

Demographic and economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2023	N/A	N/A	N/A
2022	44,748	N/A	4.8%
2021	44,348	\$ 60,823	7.5%
2020	42,362	57,344	12.2%
2019	42,059	53,517	4.7%
2018	41,922	51,725	4.9%
2017	41,739	50,356	5.6%
2016	41,720	48,826	6.3%
2015	41,725	47,267	6.7%
2014	41,643	45,197	7.6%

Source:

- a Population information provided by the NJ Dept of Labor and Workforce Development
- b Per Capita Personal income - NJ Dept of Labor
- c Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

		2023	PERCENTAGE OF TOTAL EMPLOYMENT
EMPLOYEES	RANK		

DATA NOT AVAILABLE

Total	<u>0</u>	<u>0.00%</u>
Total Labor Force	<u>0</u>	

Source: Ocean County Department of Economic Development and Tourism;
The Township of Berkeley
Total Labor Force from NJ DOL and Workforce Development

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Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**BERKELEY TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)**

Function/Program	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular, teachers/aides	184	182	180	172	172.8	117.5	110	109	109	109
Special Education, teachers/aides	116	113	110	103	103	105	104	100	97	91
Support Services:										
Student & Instruction Related Services	39	40	36	39	37	35.8	40.8	42.8	44.8	42.8
General Administration	3.8	3.8	3.8	3.8	3.8	5.8	5.8	5.8	5.8	5.8
School Administration	20	21	21	20	20	17	17	17	17	17
Business Administrative Services	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6	6
Technical Administrative Services	4	4	4	4	4	4	4	4	3	3
Food Services	7	7	8	8	8	8	8	10	10	10
Plant Operations/Maint, Lunchrm aides	42.2	38.7	33.6	33.7	33.7	33.5	33.5	32.9	33.5	31.6
Pupil Transportation	41.6	40	40	40	40	39.5	39.5	40	39.5	34.5
Total	463	455	442	429	428	372	368	367	366	351

Source: District Personnel Records

**BERKELEY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	PUPIL COST PER PUPIL CHANGE	PERCENTAGE TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	ATTENDANCE PERCENTAGE
2023	2,427	\$ 41,100,933	16,935	3.39%	250	2,427	2,243.7	0.66%	92.4%
2022	2,396	39,246,836	16,380	5.26%	242	2,411	2,237.4	0.96%	92.8%
2021	2,363	36,772,473	15,562	10.37%	240	2,388	2,264.0	5.76%	95.8%
2020	2,474	34,881,213	14,099	-5.64%	230	2,477	2,371.0	14.31%	95.8%
2019	2,309	34,499,567	14,941	-1.72%	235	2,258	2,129.6	4.20%	94.3%
2018	2,152	32,715,137	15,202	2.48%	205	2,167	2,054.7	2.60%	94.8%
2017	2,132	31,625,634	14,834	1.19%	203	2,112	1,995.7	-0.66%	94.5%
2016	2,079	30,475,661	14,659	4.93%	180	2,126	2,015.9	1.09%	94.8%
2015	2,091	29,211,782	13,970	0.72%	178	2,103	1,984.8	-0.43%	94.4%
2014	2,110	29,266,711	13,870	0.36%	178	2,112	2,004.0	2.67%	94.9%

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total expenditures less debt service and capital outlay. (Sch B-2) less nonbudgeted expenditures
- 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).

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

DISTRICT BUILDINGS	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bayville Elementary (Org. 1926 Add: 1951,1959,1969,2003):										
Square Feet	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369	73,369
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	506	491	499	516	455	402	399	391	411	415
Berkeley Twp. Elementary (2003):										
Square Feet	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830	102,830
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	587	592	574	619	668	649	619	592	593	571
Clara B. Worth Elementary (Org. 1962)										
Square Feet	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258	81,258
Capacity (Students)	845	845	845	845	845	845	845	845	845	845
Enrollment	702	655	663	674	586	557	556	546	545	623
H&M Potter Elementary (Org. 1974 Add: 1984&2003):										
Square Feet	88,242	88,242	88,242	88,242	88,424	88,424	88,424	88,424	88,424	88,424
Capacity (Students)	725	725	725	725	725	725	725	725	725	725
Enrollment	632	658	627	665	600	544	558	550	542	501

Number of Schools at June 30, 2023:
Elementary = 4

Source: District Facilities Office

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

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(Unaudited)**

	BAYVILLE ELEMENTARY	CLARA B. WORTH	H&M POTTER	BERKELEY TOWNSHIP ELEMENTARY	OTHER	TOTAL
2023	\$ 108,000	\$ 119,612	\$ 130,161	\$ 151,367	\$ 12,539	\$ 521,679
2022	118,288	131,007	142,560	165,786	13,733	571,374
2021	163,803	181,415	229,576	197,414	19,017	791,225
2020	174,312	193,055	210,080	244,307	20,238	841,992
2019	163,466	181,042	197,008	229,105	18,978	789,599
2018	148,029	163,946	178,404	207,470	17,187	715,036
2017	133,941	148,343	161,425	187,725	15,551	812,425
2016	168,191	186,276	202,703	235,728	19,527	751,711
2015	155,622	172,355	187,555	218,111	18,068	1,201,664
2014	248,773	275,522	299,820	348,667	28,882	900,881

Source: District records, M-1, sch C-1 Actual total 11-000-261-XXX

**INSURANCE SCHEDULE
JUNE 30, 2023
(Unaudited)**

	LIMITS	DEDUCTIBLE
Property:		
Real and Personal Property	\$ 500,000,000	\$ 5,000
Flood- Aggrgate Zones A & V	25,000,000	500,000
Flood - All Other Zones	75,000,000	10,000
Earthquake	50,000,000	
Environmental Package	1,000,000	50,000
Inland Marine:		
EDP Hardware/Software	500,000,000	1,000
Boiler & Machinery:	100,000,000	
Crime:		
Money/Securities	25,000	
Board Secretary Bond	25,000	
Board Treasurer Bond	275,000	
Comprehensive General Liability:		
Bodily Injury/Property damage-Each Occurance	31,000,000	10,000
Sexual Abuse Aggregate	15,000,000	
Personal Advertising & Injury	31,000,000	
Employee Benefits Liability	31,000,000	1,000
Auto:		
Combined Single Limit	31,000,000	
Uninsured/Underinsured Motorist - Private Passenger	1,000,000	10,000
Uninsured/Underinsured Motorist - All other vehicle type	15,000	5,000
PIP	250,000	
Errors & Omissions		
Each Policy Period - Coverage A	31,000,000	10,000
Each Claim - Coverage B	100,000	10,000

SINGLE AUDIT SECTION

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Certified Public Accountants + Advisors

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Berkeley Township School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 8, 2023



EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Berkeley Township School District
County of Ocean
Bayville, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the Berkeley Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Berkeley Township School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB's Circular 15-08 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and 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's Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant Public
School Accountant, No. 2470

Lakewood, New Jersey
December 8, 2023

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASSED-THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUB RECIPIENT	UNEARNED REVENUE AT JUNE 30, 2023	(ACCOUNTS RECEIVABLE) JUNE 30, 2023	DUE TO GRANTOR JUNE 30, 2023
				\$		\$	\$	\$	\$	\$	\$	\$
U.S. DEPARTMENT OF AGRICULTURE Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster: Noncash Assistance: Food Distribution Program (Noncash Assistance) Subtotal	10.555	221NJ304N1099	Unavailable	52,374	7/1/22-6/30/23	(52,374)	52,374	(52,374)	-	-	-	-
National School Lunch Program	10.555	231NJ304N1199	100-010-3350-023	433,421	7/1/22-6/30/23	(433,421)	403,263	(433,421)	-	-	-	(30,158)
National School Lunch Program	10.555	221NJ304N1099	100-010-3350-023	1,247,890	7/1/21-6/30/22	(97,391)	97,391	-	-	-	-	-
National School Lunch Program, HHFKA	10.555	231NJ304N1199	100-010-3350-023	142,700	7/1/22-6/30/23	(14,270)	13,271	(14,270)	-	-	-	(999)
COVID Supply Chain Assistance Grant	10.555	Unavailable	100-010-3350-118	129,303	7/1/22-6/30/23	(97,391)	129,303	(129,303)	-	-	-	-
						(643,228)	643,228	(576,994)	-	-	-	(31,157)
National School Breakfast Program	10.553	231NJ304N1199	495-010-3350-002	120,513	7/1/22-6/30/23	-	112,121	(120,513)	-	-	-	(8,392)
National School Breakfast Program	10.553	221NJ304N1099	100-010-3350-028	565,955	7/1/21-6/30/22	(44,733)	44,733	-	-	-	-	-
						(44,733)	156,854	(120,513)	-	-	-	(6,392)
Total Child Nutrition Cluster						(142,124)	852,456	(749,881)	-	-	-	(39,549)
Total U.S. Department of Agriculture						(142,124)	852,456	(749,881)	-	-	-	(39,549)
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through New Jersey Department of Human Services: Medicaid Cluster: Medical Assistance Program (SEM) Total Medicaid Cluster	93.778	2005NJ5MAP	100-054-7540-211	119,620	7/1/22-6/30/23	-	119,620	(119,620)	-	-	-	-
						-	119,620	(119,620)	-	-	-	-
Total U.S. Department of Health and Human Services						-	119,620	(119,620)	-	-	-	-
U.S. DEPARTMENT OF TREASURY Direct Funding: Coronavirus Relief Funds	21.019	Unavailable	Unavailable	145,657	3/16/20-9/30/22	1,816	-	-	-	-	-	1,816
						1,816	-	-	-	-	-	1,816
Total U.S. Department of Treasury						1,816	-	-	-	-	-	1,816
U.S. DEPARTMENT OF EDUCATION Passed Through New Jersey Department of Education: Elementary and Secondary Education Act (E.S.E.A.): Title I - Part A Title I - Part A	84.010 84.010	S010A220030 S010A210030	100-034-5064-194 100-034-5064-194	325,562 398,712	7/1/21-6/30/22 7/1/20-9/30/21	- 651,600	413,318 551,600	(521,046)	-	-	-	(107,728)
						(551,600)	468,478	(521,046)	-	-	-	(107,728)
Title II - Part A Title II - Part A	84.367 84.367	S367A220029 S367A210029	100-034-5063-290 100-034-5063-290	55,552 61,195	7/1/21-6/30/22 7/1/20-9/30/21	- (874)	93,368 874	(93,368)	-	-	-	-
						(874)	94,242	(93,368)	-	-	-	-
Title IV Title IV	84.424 84.424	S424A220031 S424A210031	100-034-5063-348 100-034-5063-348	25,201 25,426	7/1/21-6/30/22 7/1/20-9/30/21	- (7,616)	26,170 7,616	(28,067)	-	-	-	(1,897)
						(7,616)	33,786	(28,067)	-	-	-	(1,897)
Special Education Cluster: Basic Basic ARP I.D.E.A. Basic	84.027 84.027 84.027X	H027A220100 H027A210100 H027X210100	100-034-5065-016 100-034-5065-016 100-034-5065-016	518,616 537,332 115,113	7/1/21-6/30/22 7/1/20-9/30/21 7/1/21-6/30/22	- (43,963) (17,628)	470,711 43,963 52,644	(535,757) - (35,628)	222	-	-	(65,046) - (390)
						(61,591)	567,318	(571,385)	222	-	-	(65,436)
Preschool Preschool ARP I.D.E.A. Preschool	84.173 84.173 84.173X	H173A220114 H173A210114 H173X210114	100-034-5065-020 100-034-5065-020 100-034-5065-020	26,466 26,246 9,794	7/1/21-6/30/22 7/1/20-9/30/21 7/1/21-6/30/22	- (2,261) (7,422)	36,386 2,261 7,422	(39,043) - (40,060)	222	-	-	(2,657) - (1,017) (3,674)
						(71,274)	613,387	(611,445)	222	-	-	(69,110)
Total Special Education Cluster						(71,274)	613,387	(611,445)	222	-	-	(69,110)

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASSED-THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUB RECIPIENT	UNEARNED REVENUE AT JUNE 30, 2023	(ACCOUNTS RECEIVABLE) JUNE 30, 2023	DUE TO GRANTOR JUNE 30, 2023
Education Stabilization Fund:												
Elementary and Secondary School Education Relief (ESSER) Fund:												
CARES Emergency Relief Grant	84.425D	S425D210027	100-034-5120-513	276,818	3/13/20-9/30/22	(27,722)	27,812	(90)	-	-	-	-
CRRSA Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210027	100-034-5120-518	1,131,619	3/13/20-9/30/23	(622,448)	637,180	(218,091)	-	-	(125,990)	-
CRBSA Learning Acceleration	84.425D	S425D210027	100-034-5120-518	72,621	3/13/20-9/30/23	-	17,197	(18,831)	77,369	-	(1,634)	-
CRBSA Mental Health	84.425D	S425D210027	100-034-5120-518	45,000	3/13/20-9/30/23	(3,717)	8,820	(23,787)	-	-	(18,684)	-
ARP Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210027	100-034-5120-523	2,543,240	3/13/20-9/30/24	(100,885)	810,678	(852,707)	-	-	(142,914)	-
ARP Learning Acceleration	84.425U	S425U210027	100-034-5120-523	207,101	3/13/20-9/30/24	(12,950)	145,337	(146,612)	-	-	(14,225)	-
ARP Evidence Based Summer Learning and Enrichment Program	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	-	17,724	(18,040)	-	-	(316)	-
ARP Comprehensive Beyond the School Day	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(5,548)	25,045	(28,622)	-	-	(9,125)	-
ARP Mental Health Support Staffing	84.425U	S425U210027	100-034-5120-523	45,000	4/23/21-9/30/24	-	45,000	(45,000)	-	-	-	-
ARP Homeless Children and Youth	84.425W	S425W210027	Unavailable	43,680	4/23/21-9/30/24	(43,680)	43,680	-	-	-	-	-
Total U.S. Department of Education						(816,950)	1,778,473	(1,351,780)	77,369	-	(312,888)	-
Total Federal Financial Assistance						(951,874)	2,988,366	(2,605,706)	77,591	-	(491,623)	-
						\$(1,092,182)	\$ 3,960,442	\$ (3,475,207)	\$ 77,591	\$ -	\$ (531,172)	\$ 1,816

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

**BERKELEY TOWNSHIP 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	PASSED THROUGH TO SUBRECIPIENT	UNEARNED REVENUE AT JUNE 30, 2023	(ACCOUNTS RECEIVABLE) JUNE 30, 2023	DUE TO GRANTOR JUNE 30, 2023	MEMO ONLY		
												BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:														
General Fund:														
State Aid Public:														
Special Education Categorical Aid	495-034-5120-089	\$ 1,843,683	7/1/22-6/30/23	\$ -	\$ -	\$ 1,843,683	\$ (1,843,683)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,69,572	\$ 1,843,683
Security Aid	495-034-5120-084	425,151	7/1/22-6/30/23	-	-	425,151	(425,151)	-	-	-	-	-	39,103	425,151
Adjustment Aid	495-034-5120-085	71,463	7/1/22-6/30/23	-	-	71,463	(71,463)	-	-	-	-	-	6,573	71,463
Total State Aid Public														
Transportation Aid	495-034-5120-014	831,890	7/1/22-6/30/23	-	-	2,340,297	(2,340,297)	-	-	-	-	-	215,248	2,340,297
Extraordinary Aid	495-034-5120-044	208,011	7/1/22-6/30/23	-	-	831,890	(831,890)	-	-	-	-	-	76,513	831,890
Additional Nonpublic Transportation Aid	495-034-5120-044	314,464	7/1/21-6/30/22	(314,464)	-	-	(208,011)	-	-	(208,011)	-	-	-	208,011
Additional Nonpublic Transportation Aid	495-034-5120-014	14,314	7/1/22-6/30/23	-	-	314,464	-	-	-	-	-	-	-	14,314
Securing Our Children's Future Bond Act (Alyssa's Law)	588-034-5120-014	10,470	7/1/21-6/30/22	(10,470)	-	10,470	(14,314)	-	-	(14,314)	-	-	-	14,314
Reimbursed TPAF Social Security Contributions	495-034-5120-001	39,924	7/1/22-6/30/23	-	-	39,924	(39,924)	-	-	-	-	-	-	107,124
TPAF - Post Retirement	495-034-5094-003	1,342,189	7/1/22-6/30/23	-	-	1,275,790	(1,342,189)	-	-	(66,399)	-	-	-	1,342,189
TPAF - Medical (Noncash Assistance)	495-034-5094-001	1,668,537	7/1/22-6/30/23	-	-	1,668,537	(1,668,537)	-	-	-	-	-	-	1,668,537
TPAF - Pension	495-034-5094-002	6,351,551	7/1/22-6/30/23	-	-	6,351,551	(6,351,551)	-	-	-	-	-	-	6,351,551
TPAF - Long-Term Liability Insurance (Noncash Assistance)	495-034-5094-004	2,178	7/1/22-6/30/23	-	-	2,178	(2,178)	-	-	-	-	-	-	2,178
Total General Fund														
Special Revenue Fund:				(389,973)		12,900,140	(12,798,891)			(288,724)			291,761	12,866,091
Preschool Education Aid	495-034-5120-086	5,079,698	7/1/22-6/30/23	-	-	4,571,729	(4,608,144)	-	471,555	(507,970)	-	-	507,970	4,608,144
School Climate Grant	100-034-5120-519	6,660	7/1/22-6/30/23	(498,432)	-	498,432	-	-	-	-	-	-	-	6,500
SDA Emergent Needs and Capital Maintenance Grant	100-034-5120-519	102,986	7/1/22-6/30/23	-	-	102,986	(102,986)	-	-	(6,500)	-	-	-	102,986
Total Special Revenue Fund														
New Jersey Department of Agriculture:														
Enterprise Fund:														
State School Lunch Program	100-010-3350-023	18,364	7/1/22-6/30/23	-	-	17,102	(18,364)	-	-	(1,262)	-	-	-	18,364
State School Lunch Program	100-010-3350-023	31,688	7/1/21-6/30/22	(2,241)	-	2,241	-	-	-	-	-	-	-	31,688
State School Breakfast Program	495-010-3350-002	9,108	7/1/22-6/30/23	-	-	8,469	(9,108)	-	-	(639)	-	-	-	9,108
Total Enterprise Fund														
Total State Financial Assistance														
State Financial Assistance Programs not subject to Calculation for Major Program Determination:														
TPAF - Post Retirement				(2,241)		27,812	(27,472)			(1,901)				27,472
Medical (Noncash Assistance)	495-034-5094-001	\$ 1,668,537	7/1/22-6/30/23			\$ -	\$ -			\$ (805,095)			\$ 799,731	\$ 17,611,193
TPAF - Pension	495-034-5094-002	6,351,551	7/1/22-6/30/23			\$ -	\$ -			\$ -			\$ -	\$ -
TPAF - Long-Term Liability Insurance (Noncash Assistance)	495-034-5094-004	2,178	7/1/22-6/30/23			\$ -	\$ -			\$ -			\$ -	\$ -
Total State Financial Assistance subject to Calculation for Major Program Determination														

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

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BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Berkeley Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from 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 financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents 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.

BERKELEY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(18,956) for the general fund and \$1,017,417 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 119,620	\$ 12,779,935	\$ 12,899,555
Special Revenue Fund	3,161,106	5,179,647	8,340,753
Food Service Fund	749,881	27,472	777,353
Total Awards & Financial Assistance	<u>\$ 4,030,607</u>	<u>\$ 17,987,054</u>	<u>\$ 22,017,661</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. Federal and State Loans Outstanding

The Berkeley Township School District had no loan balances outstanding at June 30, 2023.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D200027</u>	<u>CARES Emerg. Relief Grant</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA ESSER</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA Learning Acceleration</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>CRRSA Mental Health</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP ESSER</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP Learning Acceleration</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP Evidence Based Summer Learning</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP Beyond the School Day</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>ARP Mental Health Support</u>
<u>84.425W</u>	<u>S425W210027</u>	<u>ARP Homeless Children & Youth</u>

Dollar threshold used to determine Type A programs	\$	<u>750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u> </u>	<u>State Aid Public:</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-085</u>	<u>Adjustment Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**BERKELEY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.