

**BETHLEHEM TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2023**

**Responsibility of the Management of  
Bethlehem Township School District  
Hunterdon County, New Jersey**



**BETHLEHEM TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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

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**BETHLEHEM TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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# Bethlehem Township Board of Education

Edward Abato  
Chief School Administrator

Brian Latzke  
Business Administrator/Board Secretary

Sally Klemm  
Director of Special Services

November 30, 2023

Honorable President and  
Members of the Board of Education  
Bethlehem Township School District  
280 Asbury-West Portal Road  
Asbury, NJ 08802

Dear Members of the Board of Education:

The Annual Comprehensive Financial Report (ACFR) of the Bethlehem Township School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All discourse necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR 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 basic financial statements, Management's discussion and analysis, and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings, and recommendations, are included in the Single Audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES**

The Bethlehem Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and the government-wide financial statements of the District are included in this report. The Bethlehem Township Board of Education and all its schools constitute the District's reporting entity.

These services include general as well as special education (grades K through 8) programs. The District completed the 2022-2023 fiscal year with an in-district enrollment of 359 students, which is a 2.60% increase over the previous year's enrollment. The following details the changes in the student enrollment of the District over a five-year period.

### Average Daily Enrollment

<u>School Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022 - 2023	359	2.60%
2021 - 2022	374	4.13%
2020 - 2021	346	0.29%
2019 - 2020	345	-1.71%
2018 - 2019	351	-5.14%

## **2. ECONOMIC CONDITION AND OUTLOOK**

During the 2021-2022 school year, the Bethlehem Township School District saw an increase in enrollment due to the high turnover of housing in the area. This increase has stabilized, and the district has maintained a steady enrollment number into the 2022-2023 and 2023-2024 school years. The district continues to attract students through the Choice School program as well as by increasing the programs offered to our students in grades PreK-8.

## **3. MAJOR INITIATIVES**

Some initiatives this year align with the district goals as we continue to update our buildings and our schedules. We are actively pursuing consolidation of the two school buildings into one site at Thomas B. Conley Elementary School which will house students in preschool through eighth grade. We are in year one of our implementation of Professional Learning Communities (PLCs) as well as our newly formatted Response to Intervention (RTI) framework. These initiatives will provide staff with the time needed to analyze data, confer with colleagues, and plan for interventions for students who are struggling and/or highly succeeding. Along with these two important initiatives, the Bethlehem Township School District continues to look for ways to improve the experience that students have while members of our school community. One way in which we are achieving this goal is by dedicating resources to update the technology that is being used in our classrooms, from interactive whiteboards to Chromebooks for our students. Finally, select teachers are working to update our curriculum to ensure that we are aligned with the most current learning standards provided by the state of NJ. This is the start of an ongoing cycle of curriculum review that the district will follow moving forward. This curriculum rewrite may lead to new programs being purchased in the areas of math, language arts, Spanish and STEM for the 2024-2025 school year.

## **4. INTERNAL ACCOUNTING CONTROLS**

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

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

## **5. BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, special revenue fund, and debt service fund. Project length budgets are approved for the capital improvements accounted for 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 the end of the fiscal year are recorded as reservations of fund balance and are subsequently added to the following year's budget.

## **6. ACCOUNTING SYSTEM AND REPORTS**

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

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

## **7. FINANCIAL INFORMATION AT FISCAL YEAR-END**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues meeting its responsibilities for sound financial management.

## **8. DEBT ADMINISTRATION**

During the school year, the District retired \$250,000 of the principal balance on its 2015 Refunding Bonds. These bonds were issued in response to favorable market conditions, and Management initiated an effort to refund these bonds, culminating in a successful refunding which closed on September 23, 2015. This refunding will provide over \$525,000 of debt service savings over the life of the bonds, which equals 9.8% of the net present value (NPV) of the refunded debt service requirement. The State of New Jersey requires a minimum of 3% NPV savings, so our transaction produced more than three times the minimum savings benchmark established by the state. Savings will be realized in every school year through 2030.



## **9. CASH MANAGEMENT**

The investment policy of the District is guided by statute as detailed in Notes to the Financial Statements, Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories, protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). This was enacted in 1970 to protect governmental units from 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, excess liability, automobile liability and comprehensive/collision, hazard, and theft insurance on property and contents, and fidelity bonds.

## **11. OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of BKC, CPAs, PC was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the 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 Circular Letter 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## **12. ACKNOWLEDGMENTS**

I would like to express appreciation to the members of the Bethlehem Township Board of Education for their concern and work in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of the financial operation. I would also like to commend and thank the business office. Their hard work and dedication have greatly contributed to the financial state of the District.

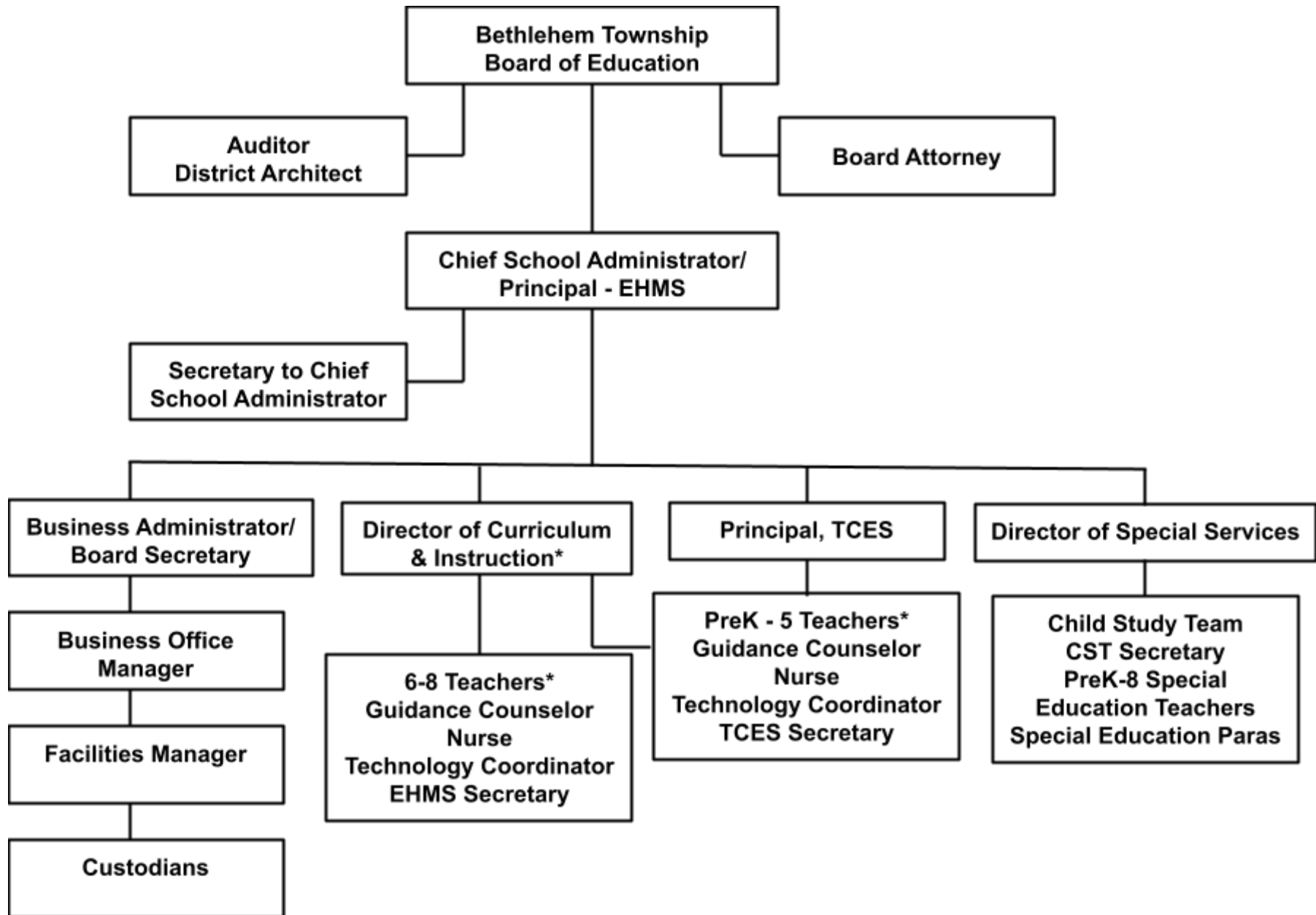
Yours in Education,



Edward Abato  
Chief School Administrator



Brian Latzke  
Business Administrator/Board Secretary



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Roster of Officials**  
**June 30, 2023**

<b>Members of the Board of Education</b>	<b>Title</b>	<b>Term Expires</b>
Kyle Harris	President	2023
Michael Hale	Vice-President	2025
Daniel MacDonnell		2023
Travis Roop		2023
Jennifer Seibert		2024
Stephanie Yager		2024
Thomas Gregor		2025

<b>Other Officials</b>	<b>Title</b>
Edward Abato	Chief School Administrator/Principal
Brian Latzke	School Business Administrator/Board Secretary
Theresa Moore	Board Attorney

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Consultants and Advisors**  
**June 30, 2023**

**AUDIT FIRM**

BKC, CPAs, P.C.  
39 State Route 12, Ste 2  
Flemington, NJ 08822

**ATTORNEY**

Theresa Moore, Esq.  
Riker Danzig Scherer Highland Perretti, LLC  
One Speedwell Avenue  
Headquarters Plaza  
Morristown, NJ 07962

**BOND COUNSEL**

Wilentz, Goldman & Spitzer  
90 Woodbridge Center Drive  
Woodbridge, NJ 07095

**ARCHITECT/ENGINEER OF RECORD**

Design Resources Group Architects AIA, Inc.  
200 Franklin Square Drive, Suite 402  
Somerset, NJ 08873

**OFFICIAL DEPOSITRY**

Citizens Bank  
P.O. Box 42001  
Providence, RI 02940-2001



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Bethlehem Township School District  
Asbury, New Jersey

### Report on the Financial Statements

#### Opinion

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 Bethlehem Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

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 audit requirements as 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 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 opinion.

#### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, 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 Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion 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 November 30, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**BKC, CPAs, PC**



Michael Holk, CPA, PSA  
NO. 20CS00265600

November 30, 2023  
Flemington, New Jersey



**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

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

**Financial Highlights**

**Key financial highlights for 2023 are as follows:**

- In total, net position increased \$893,078 which represents a 30.05% increase from 2022.
- General revenues accounted for \$11,076,002 in revenue or 95.93% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$470,212 or 4.07% to total revenues of \$11,546,214.
- Total assets of governmental activities increased by \$322,204 as cash and cash equivalents increased by \$223,333, receivables and other assets increased by \$39,528 and capital assets increased by \$59,343.
- The School District had \$10,653,136 in expenses; only \$470,212 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,076,002 were adequate to provide for these programs.
- Among major funds, the general fund had \$10,279,244 in revenues, \$9,985,951 in expenditures. The general fund's balance increased \$293,293 from fiscal year 2022.

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

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

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

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

**Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole, looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?"

The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Table 1 provides a summary of the District's net position at June 30, 2023 with comparisons to June 30, 2022.

**Table 1**  
**Net Position**

	06/30/23	06/30/22	Variance	
			Dollars	%
<b>Assets</b>				
Current & other assets	\$ 5,274,442	\$ 5,005,714	\$ 268,728	5.37%
Capital assets	3,038,690	2,967,734	70,956	2.39%
Total assets	8,313,132	7,973,448	339,684	4.26%
Deferred pension activity	377,300	284,568	92,732	32.59%
Deferred amount on refunding	30,347	34,682	(4,335)	-12.50%
Total deferred outflow of resources	407,647	319,250	88,397	27.69%
<b>Liabilities</b>				
Long-term liabilities	3,929,563	3,852,983	76,580	1.99%
Other liabilities	411,567	433,267	(21,700)	-5.01%
Total liabilities	4,341,130	4,286,250	54,880	1.28%
Deferred pension activity	514,518	1,034,395	(519,877)	-50.26%
Total deferred inflow of resources	514,518	1,034,395	(519,877)	-50.26%
<b>Net position</b>				
Net investment in capital assets	518,690	182,734	335,956	183.85%
Restricted	3,087,900	2,528,805	559,095	22.11%
Unrestricted	258,541	260,514	(1,973)	-0.76%
Total net position	\$ 3,865,131	\$ 2,972,053	\$ 893,078	30.05%

Total assets for district-wide purposes increased \$339,684. Cash and cash equivalents increased by \$265,822, receivables and other assets increased by \$2,906, and capital assets increased by \$70,956. Unrestricted net position decreased by \$1,973 and represents the part of net position that can be used to finance day to day activities without constraints, established by grants or legal requirements of the School District.

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the School District's changes in net position for the fiscal year ended June 30, 2023 with comparisons to the fiscal year ended June 30, 2022.

**Table 2**  
**Changes in Net Position**

	Fiscal Year Ending		Variance	
	06/30/23	06/30/22	Dollars	%
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 216,973	\$ 153,427	\$ 63,546	41.42%
Operating grants	253,239	307,819	(54,580)	-17.73%
General revenues				
Property taxes	7,831,919	7,827,219	4,700	0.06%
Unrestricted grants	3,157,449	4,106,403	(948,954)	-23.11%
Other	86,634	30,345	56,289	185.50%
<b>Total revenues</b>	<b>11,546,214</b>	<b>12,425,213</b>	<b>(878,999)</b>	<b>-7.07%</b>
<b>Expenses</b>				
Instruction				
Regular	3,737,634	4,319,817	(582,183)	-13.48%
Special	1,863,993	1,687,431	176,562	10.46%
Other	194,099	318,738	(124,639)	-39.10%
Support services				
Tuition	38,016	109,483	(71,467)	-65.28%
Student & instructional staff	2,020,125	2,200,393	(180,268)	-8.19%
General & business administration	547,237	494,139	53,098	10.75%
School administration	350,847	311,578	39,269	12.60%
Maintenance	1,228,160	1,176,744	51,416	4.37%
Transportation	410,079	393,302	16,777	4.27%
Food service	148,613	110,393	38,220	34.62%
Interest on long-term debt	114,333	102,898	11,435	11.11%
<b>Total expenses</b>	<b>10,653,136</b>	<b>11,224,916</b>	<b>(571,780)</b>	<b>-5.09%</b>
<b>Increase (decrease) before special items</b>	<b>893,078</b>	<b>1,200,297</b>	<b>(307,219)</b>	<b>-25.60%</b>
<b>Special items</b>				
Gain (loss) on disposal of asset	-	(2,800)	2,800	100%
<b>Change in net position</b>	<b>\$ 893,078</b>	<b>\$ 1,197,497</b>	<b>\$ (304,419)</b>	<b>-25.42%</b>

\*Undefined

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 68.78% of revenues for governmental activities for the Bethlehem Township School District for fiscal year 2023.

Instruction comprises 54.40% of district expenses. Support services expenses make up 44.52% of the expenses. Interest on long-term debt makes up 1.08% of the expenses.

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

Table 3 provides a summary of the School District's cost of governmental services for the fiscal year ended June 30, 2023 with comparisons to the fiscal year ended June 30, 2022.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 5,795,726	\$ 6,325,986	\$ 5,570,345	\$ 6,060,765
Support services				
Tuition	38,016	109,483	23,016	64,366
Student & instructional staff	2,020,125	2,200,393	1,949,082	2,189,927
General & business administration	547,237	494,139	547,237	494,139
School administration	350,847	311,578	350,847	311,578
Plant operations & maintenance	1,228,160	1,176,744	1,228,160	1,176,744
Pupil transportation	410,079	393,302	410,079	393,302
Food service	148,613	110,393	(10,175)	(30,049)
Interest on long-term debt	114,333	102,898	114,333	102,898
Total expenses	<u>\$ 10,653,136</u>	<u>\$ 11,224,916</u>	<u>\$ 10,182,924</u>	<u>\$ 10,763,670</u>

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

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

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

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

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

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 67.83%. The community, as a whole, is the primary support for the Bethlehem Township School District.

**The School District's Funds**

The School District's funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$10,846,195, expenditures of \$10,559,713. The net positive change in fund balance for the year of \$286,482 occurred in the general fund.

**General Fund Budgeting Highlights**

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

During the fiscal year 2023, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to lightly control total program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenue was \$8,536,884 which was \$203,941 above original budgeted estimates of \$8,332,943. This difference was due primarily to unbudgeted tuition from individuals.

The general fund revenues of the School District were greater than expenditures and other financing uses by \$274,511.

**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$3,038,690 invested in land, buildings, vehicles, and furniture and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2023 with comparisons to June 30, 2022.

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

	06/30/23	06/30/22	Variance	
			Dollars	%
Land	\$ 139,200	\$ 139,200	\$ -	0.00%
Construction in progress	281,432	128,300	153,132	119.35%
Land improvements	32,922	37,974	(5,052)	-13.30%
Buildings & improvements	2,376,181	2,467,088	(90,907)	-3.68%
Furniture and equipment	208,955	195,172	13,783	7.06%
Total	<u>\$ 3,038,690</u>	<u>\$ 2,967,734</u>	<u>\$ 70,956</u>	<u>2.39%</u>

\* Undefined

Overall capital assets increased \$70,956 from fiscal year 2022 to fiscal year 2023. Increases in capital assets were offset by depreciation expenses for the year.



**BETHLEHEM TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
**Unaudited**

**Debt Administration**

At June 30, 2023, the School District had \$3,929,563 in long-term liabilities. This amount is detailed in Table 5.

At June 30, 2023, the School District’s overall legal debt limit was \$18,727,986 and the legal debt margin was \$16,207,986.

Table 5 provides a summary of the School District’s outstanding long-term liabilities at June 30, 2023 with comparisons to June 30, 2022.

**Table 5**  
**Long-Term Liabilities at Year-End**

	06/30/23	06/30/22	Variance	
			Dollars	%
General obligation bonds	\$ 2,520,000	\$ 2,785,000	\$ (265,000)	-9.52%
Net pension liability	1,298,623	940,818	357,805	38.03%
Unamortized bond premium	77,030	88,034	(11,004)	-12.50%
Compensated absences	33,910	39,131	(5,221)	-13.34%
	<u>\$ 3,929,563</u>	<u>\$ 3,852,983</u>	<u>\$ 76,580</u>	1.99%

**For the Future**

The District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future while increasing resources to best meet the needs of the students and to offer them opportunities to engage in the learning process. The safety and security of our students, staff, parents and community is always a priority for the district as we continue to look for ways to increase the security of our school buildings. As we move forward, the district will continue to increase and update the technologies that are currently available to our students and staff. Our newly created Strategic Plan will assist us in setting goals and making decisions for our district for the next five years. The areas identified in the Strategic Plan will help move our district forward and provide a roadmap for where the district will go in the future.

**Contacting the School District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions about this report or need additional information, contact Brian Latzke, Bethlehem Township Board of Education, 280 Asbury-West Portal Road, Asbury, New Jersey 08802.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,986,492	\$ 59,842	\$ 2,046,334
Due from other funds	-	2,677	2,677
Receivables, net	130,417	592	131,009
Inventory	-	6,522	6,522
<b>Restricted assets</b>			
Capital reserve account - cash	2,469,455	-	2,469,455
Maintenance reserve account - cash	593,530	-	593,530
Student activities - cash	24,915	-	24,915
<b>Capital assets, net</b>			
Land and construction in progress	420,632	-	420,632
Other capital assets, net of depreciation	2,587,936	30,122	2,618,058
<b>Total assets</b>	<b>8,213,377</b>	<b>99,755</b>	<b>8,313,132</b>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	377,300	-	377,300
Deferred amount on refunding bond issue	30,347	-	30,347
<b>Total deferred outflows of resources</b>	<b>407,647</b>	<b>-</b>	<b>407,647</b>
<b>Liabilities</b>			
Accounts payable	61,468	3,512	64,980
Due to other funds	2,677	-	2,677
Accrued interest	44,768	-	44,768
Payroll deductions and withholdings payable	216,756	-	216,756
Unearned revenue	76,533	5,853	82,386
<b>Long-term liabilities</b>			
Due within one year	301,075	-	301,075
Due beyond one year	3,628,488	-	3,628,488
<b>Total liabilities</b>	<b>4,331,765</b>	<b>9,365</b>	<b>4,341,130</b>
<b>Deferred inflows of resources</b>			
Deferred amount on pension liability	514,518	-	514,518
<b>Net position</b>			
Net investment in capital assets	488,568	30,122	518,690
<b>Restricted for</b>			
Capital reserve fund	2,469,455	-	2,469,455
Maintenance reserve fund	593,530	-	593,530
Student activities	24,915	-	24,915
Unrestricted	198,273	60,268	258,541
<b>Total net position</b>	<b>\$ 3,774,741</b>	<b>\$ 90,390</b>	<b>\$ 3,865,131</b>

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,052,028	\$ 1,685,606	\$ 112,448	\$ 65,098	\$ -	\$ (3,560,088)	\$ -	\$ (3,560,088)
Special education	984,587	879,406	-	47,835	-	(1,816,158)	-	(1,816,158)
Other special instruction	63,661	46,937	-	-	-	(110,598)	-	(110,598)
Other instruction	70,089	13,412	-	-	-	(83,501)	-	(83,501)
Support services								
Tuition	38,016	-	-	15,000	-	(23,016)	-	(23,016)
Students and instruction related services	1,247,467	772,658	9,085	61,958	-	(1,949,082)	-	(1,949,082)
General and business administration services	391,247	155,990	-	-	-	(547,237)	-	(547,237)
School administration services	219,512	131,335	-	-	-	(350,847)	-	(350,847)
Plant operations and maintenance	1,126,602	101,558	-	-	-	(1,228,160)	-	(1,228,160)
Pupil transportation	410,079	-	-	-	-	(410,079)	-	(410,079)
Interest on long-term debt	114,333	-	-	-	-	(114,333)	-	(114,333)
Total governmental activities	<u>6,717,621</u>	<u>3,786,902</u>	<u>121,533</u>	<u>189,891</u>	<u>-</u>	<u>(10,193,099)</u>	<u>-</u>	<u>(10,193,099)</u>
Business-type activities								
Food service	148,613	-	95,440	63,348	-	-	10,175	10,175
Total business-type activities	<u>148,613</u>	<u>-</u>	<u>95,440</u>	<u>63,348</u>	<u>-</u>	<u>-</u>	<u>10,175</u>	<u>10,175</u>
Total primary government	<u>\$ 6,866,234</u>	<u>\$ 3,786,902</u>	<u>\$ 216,973</u>	<u>\$ 253,239</u>	<u>\$ -</u>	<u>(10,193,099)</u>	<u>10,175</u>	<u>(10,182,924)</u>
			General revenues, special items and transfers					
						7,463,944	-	7,463,944
						367,975	-	367,975
						3,157,449	-	3,157,449
						37,956	526	38,482
						48,152	-	48,152
						<u>11,075,476</u>	<u>526</u>	<u>11,076,002</u>
						882,377	10,701	893,078
						2,892,364	79,689	2,972,053
						<u>\$ 3,774,741</u>	<u>\$ 90,390</u>	<u>\$ 3,865,131</u>

See accompanying notes to the financial statements.

## **FUND FINANCIAL STATEMENTS**

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,947,386	\$ 39,106	\$ -	\$ -	\$ 1,986,492
Receivables from other governments					
Federal	-	40,855	-	-	40,855
State	73,565	-	-	-	73,565
Other local governmental	13,283	-	-	-	13,283
Other accounts receivable	2,714	-	-	-	2,714
Restricted cash and equivalents	3,062,985	24,915	-	-	3,087,900
<b>Total assets</b>	<b>\$ 5,099,933</b>	<b>\$ 104,876</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,204,809</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ 2,677	\$ -	\$ -	\$ -	\$ 2,677
Accounts payable	52,540	8,928	-	-	61,468
Payroll deductions and withholdings payable	216,756	-	-	-	216,756
Unearned revenue	5,500	71,033	-	-	76,533
<b>Total liabilities</b>	<b>277,473</b>	<b>79,961</b>	<b>-</b>	<b>-</b>	<b>357,434</b>
<b>Fund balances</b>					
<b>Restricted fund balance</b>					
Excess surplus - designated for subsequent year's expenditures	754,187	-	-	-	754,187
Excess surplus - current year	632,858	-	-	-	632,858
Capital reserve account	2,469,455	-	-	-	2,469,455
Maintenance reserve account	593,530	-	-	-	593,530
Student activities	-	24,915	-	-	24,915
<b>Committed fund balance</b>					
Year-end encumbrances	112,886	-	-	-	112,886
<b>Assigned fund balance</b>					
Additional assigned fund balance - unreserved -designated for subsequent year's expenditures July 1, 2023 - June 30, 2024	50,805	-	-	-	50,805
Unassigned fund balance	208,739	-	-	-	208,739
<b>Total fund balances</b>	<b>4,822,460</b>	<b>24,915</b>	<b>-</b>	<b>-</b>	<b>4,847,375</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,099,933</b>	<b>\$ 104,876</b>	<b>\$ -</b>	<b>\$ -</b>	

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2023**

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:	
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$10,113,341 and the accumulated depreciation is \$7,104,773.	\$ 3,008,568
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	(106,871)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,929,563)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(44,768)</u>
Total net position of governmental activities	<u><u>\$ 3,774,741</u></u>

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
Local sources					
Local tax levy	\$ 7,463,944	\$ -	\$ -	\$ 367,975	\$ 7,831,919
Tuition - individuals	103,918	-	-	-	103,918
Tuition - other LEAs	8,530	-	-	-	8,530
Interest income	37,956	-	-	-	37,956
Miscellaneous	48,152	19,340	-	-	67,492
Total local sources	<u>7,662,500</u>	<u>19,340</u>	<u>-</u>	<u>367,975</u>	<u>8,049,815</u>
State sources	2,616,744	6,460	-	-	2,623,204
Federal sources	-	173,176	-	-	173,176
Total revenues	<u>10,279,244</u>	<u>198,976</u>	<u>-</u>	<u>367,975</u>	<u>10,846,195</u>
<b>Expenditures</b>					
Current					
Instructional					
Regular instruction	1,993,390	58,638	-	-	2,052,028
Special education instruction	938,305	46,282	-	-	984,587
Other special instruction	63,661	-	-	-	63,661
Other instruction	70,089	-	-	-	70,089
Support service and undistributed costs					
Tuition	23,016	15,000	-	-	38,016
Student and instruction related services	1,169,613	77,854	-	-	1,247,467
General and business administrative services	391,247	-	-	-	391,247
School administrative services	219,512	-	-	-	219,512
Plant operations and maintenance	1,126,602	-	-	-	1,126,602
Pupil transportation	410,079	-	-	-	410,079
Unallocated benefits	3,347,479	1,553	-	-	3,349,032

See accompanying notes to the financial statements.



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 210,073	\$ 6,460	\$ -	\$ -	\$ 216,533
Debt service					
Principal	-	-	-	265,000	265,000
Interest and other charges	22,885	-	-	102,975	125,860
Total expenditures	<u>9,985,951</u>	<u>205,787</u>	<u>-</u>	<u>367,975</u>	<u>10,559,713</u>
Excess (deficiency) of revenues over (under) expenditures	293,293	(6,811)	-	-	286,482
Fund balances, July 1	<u>4,529,167</u>	<u>31,726</u>	<u>-</u>	<u>-</u>	<u>4,560,893</u>
Fund balances, June 30	<u><u>\$ 4,822,460</u></u>	<u><u>\$ 24,915</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,847,375</u></u>

See accompanying notes to the financial statements.

**BETHLEHEM 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 Fiscal Year Ended June 30, 2023**

Total net changes in fund balances - Governmental fund (from B-2) \$ 286,482

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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 216,533	
Depreciation expense	<u>(157,190)</u>	
		59,343

Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Bond principal payments		265,000
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Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		11,004
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Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

254,804

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities (continued)**  
**For the Fiscal Year Ended June 30, 2023**

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 4,858
In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period.	(4,335)
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>5,221</u>
Change in net position of governmental activities	<u><u>\$ 882,377</u></u>

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Fund Net Position**  
**June 30, 2023**

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 59,842
Due from other funds	2,677
Receivables from other governments	
State	35
Federal	557
Inventory	6,522
Total current assets	69,633
Noncurrent assets	
Capital assets	176,566
Less: accumulated depreciation	146,444
Total noncurrent assets	30,122
Total assets	99,755
Liabilities	
Current liabilities	
Accounts payable	3,512
Unearned revenues - commodities	2,890
Unearned revenues - prepaid sales	2,963
Total liabilities	9,365
Net position	
Net investment in capital assets	30,122
Unrestricted	60,268
Total net position	\$ 90,390

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2023**

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable program	\$ 58,416
Daily sales - nonreimbursable programs	37,024
Total operating revenues	95,440
Operating expenses	
Cost of sales - reimbursable programs	36,681
Cost of sales - nonreimbursable programs	21,581
Commodity food costs	9,985
Salaries	44,168
Employee benefits	6,425
Purchased professional/technical services	1,682
Purchased property services	2,602
Other purchased services	
Insurance	6,666
Management fee	11,050
General supplies	4,048
Depreciation	3,725
Total operating expenses	148,613
Operating income (loss)	(53,173)
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,231
Federal sources	
National school lunch program	
Cash assistance	18,952
Non-cash assistance (commodities)	9,985
National school breakfast program	1,538
Supply chain assistance	31,354
Other sources	
Interest earned on investments	526
Miscellaneous	288
Total non-operating revenues (expenses)	63,874
Change in net position	10,701
Net position, beginning	79,689
Net position, ending	\$ 90,390

See accompanying notes to the financial statements.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023**

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 96,787
Payments to Food Service Management Company	(126,759)
Payments to vendors (net)	(6,127)
Net cash provided by (used for) operating activities	(36,099)
Cash flows from non-capital financing activities	
State sources	1,314
Federal sources	56,392
Net interfund transactions	35,406
Miscellaneous	288
Net cash provided by (used for) non-capital financing activities	93,400
Cash flows from capital financing activities	
Acquisition of equipment	(15,338)
Net cash provided by (used for) capital financing activities	(15,338)
Cash flows from investing activities	
Interest earned on investments	526
Net cash provided by (used for) investing activities	526
Net increase (decrease) in cash and cash equivalents	42,489
Cash and cash equivalents, beginning	17,353
Cash and cash equivalents, ending	\$ 59,842
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (53,173)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	3,725
Federal food donation program	9,985
(Increase) decrease in inventory	(3,415)
Increase (decrease) in accounts payable	3,512
Increase (decrease) in unearned revenues	3,267
Net cash provided by (used for) operating activities	\$ (36,099)

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2023 of 359 students.

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

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's Board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

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



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 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, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for payroll withholdings for employee salary deductions are included in the general fund.

*Special Revenue Fund* - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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

The District did not utilize the capital projects fund during the fiscal year.

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

Additionally, the District reports the following fund types:

Proprietary Fund types

*Proprietary Fund* - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary Fund types (continued)

*Enterprise Fund* - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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

Equipment	5 - 12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

H. Short-term interfund receivable/payables

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

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements & portable classroom	20 - 40
Land improvements	20
Furniture	20
Musical instruments	10
Athletic equipment	10
Maintenance equipment	15
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	5

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

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

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements, and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, less accumulated depreciation and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

P. Use of 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 assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows and 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. Currently, the District has two items that qualify for reporting in this category, which are deferred amount on pension activity and deferred amount on refunding bond issue. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension liability.

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes (continued)

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2023, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 3 - Deposits and investments (continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee's salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2023, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	5,205,163
Total	\$ 5,455,163

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash		\$ 5,134,234
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 1,986,492
Enterprise funds, Statement of Net Position	B-4	59,842
Restricted cash		
Governmental funds, Balance Sheet	B-1	3,087,900
Total cash		\$ 5,134,234

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 139,200	\$ -	\$ -	\$ 139,200
Construction in progress	<u>128,300</u>	<u>153,132</u>	<u>-</u>	<u>281,432</u>
Total	<u>267,500</u>	<u>153,132</u>	<u>-</u>	<u>420,632</u>
Capital assets, being depreciated		-		
Land improvements	482,120	-	-	482,120
Building & improvements	8,465,317	37,651	-	8,502,968
Furniture & equipment	<u>681,871</u>	<u>25,750</u>	<u>-</u>	<u>707,621</u>
Total	<u>9,629,308</u>	<u>63,401</u>	<u>-</u>	<u>9,692,709</u>
Accumulated depreciation				
Land improvements	444,146	5,052	-	449,198
Building & improvements	5,998,229	128,558	-	6,126,787
Furniture & equipment	<u>505,208</u>	<u>23,580</u>	<u>-</u>	<u>528,788</u>
Total	<u>6,947,583</u>	<u>157,190</u>	<u>-</u>	<u>7,104,773</u>
Total capital assets, being depreciated, net	<u>2,681,725</u>	<u>(93,789)</u>	<u>-</u>	<u>2,587,936</u>
Governmental activities capital assets, net	<u>\$ 2,949,225</u>	<u>\$ 59,343</u>	<u>\$ -</u>	<u>\$ 3,008,568</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture & equipment	\$ 161,228	\$ 15,338	\$ -	\$ 176,566
Less: accumulated depreciation	<u>142,719</u>	<u>3,725</u>	<u>-</u>	<u>146,444</u>
Business type activities capital assets, net	<u>\$ 18,509</u>	<u>\$ 11,613</u>	<u>\$ -</u>	<u>\$ 30,122</u>

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)  
 Depreciation and amortization expense were charged to governmental functions in the current year as follows:

Instruction		
Regular	\$	61,692
Special education		28,638
Other special instruction		1,852
Co-curricular activities		2,039
Support services		
Student & instruction		36,284
General & business administration		11,380
School administration		6,385
Plant & maintenance		8,920
Total depreciation and amortization expense, governmental activities	<u>\$</u>	<u>157,190</u>

Note 5 - Long-term debt  
 Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds payable	\$ 2,785,000	\$ -	\$ 265,000	\$ 2,520,000	\$ 275,000
Unamortized bond premium	88,034	-	11,004	77,030	11,004
PERS net pension liability	940,818	357,805	-	1,298,623	-
Compensated absences payable	39,131	-	5,221	33,910	15,071
Total governmental activities long-term liabilities	<u>\$ 3,852,983</u>	<u>\$ 357,805</u>	<u>\$ 281,225</u>	<u>\$ 3,929,563</u>	<u>\$ 301,075</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's general fund and the other long-term debts are amortized over a determined period.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023 including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 275,000	\$ 92,175	\$ 367,175
2025	285,000	80,975	365,975
2026	295,000	69,375	364,375
2027	305,000	58,138	363,138
2028	320,000	47,200	367,200
2029 - 2031	1,040,000	63,400	1,103,400
Total	<u>\$ 2,520,000</u>	<u>\$ 411,263</u>	<u>\$ 2,931,263</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$3,275,000 - 2015 refunding school bonds, interest at 3.50% to 4.00%, due in annual installments beginning July 15, 2016 to July 15, 2030.	\$ 2,520,000
Total	<u>\$ 2,520,000</u>

The general obligation bonded debt of the District is limited by State law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$18,727,986. General obligation debt at June 30, 2023 is \$2,520,000, resulting in a legal debt margin of \$16,207,986.

Note 6 - Pension plans  
Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by State statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

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 Comprehensive annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plans (continued)

A. Public employees' retirement system (PERS) (continued)

Plan description (continued)

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled 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 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022 measurement date.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement system (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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 non-contributory 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.

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

The District's contractually required contribution rate for the year ended June 30, 2023 was 16.38% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate 7.50% of base salary effective July 1, 2018.



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement system (PERS) (continued)

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, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this 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 this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the 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 employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of measurement date June 30, 2022:

Net pension liability	\$	1,298,623
Proportionate share		0.0086050648%
 Plan fiduciary net position as a percentage of the total pension liability		 62.91%

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

Inflation rate		
Price		2.75%
Wage		3.25%
 Salary increases (based on years of service)		 2.75 - 6.55%
 Investment rate of return		 7.00%

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information (continued)

Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-term expected rate of return

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected 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%

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate

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

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	1,298,623
At a 1% lower rate (6.00%)		1,682,479
At a 1% higher rate (8.00%)		992,303

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the 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	\$ 9,373	\$ 8,266
Changes of assumptions	4,024	194,455
Net difference between projected and actual earnings on pension plan investments	53,749	-
Changes in proportion and differences between District contributions and proportionate share of contributions	201,640	311,797
District contributions subsequent to the measurement date	108,514	-
Total	\$ 377,300	\$ 514,518

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2023, the Plan measurement date is June 30, 2022) of \$108,514 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2022 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 14,838	\$ (5,465)	\$ 9,373
Changes of assumptions	4,900	(876)	4,024
Differences between projected and actual investment earnings on pension plan investments	-	53,749	53,749
Deferred inflows of resources			
Differences between expected and actual experience	(6,735)	(1,531)	(8,266)
Changes of assumptions	(334,937)	140,482	(194,455)
Differences between projected and actual investment earnings on pension plan investments	(247,836)	247,836	-
Net of deferred outflows	<u>\$ (569,770)</u>	<u>\$ 434,195</u>	<u>\$ (135,575)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

State Fiscal Year Ended June 30

2023	\$ (111,394)
2024	(56,752)
2025	(27,677)
2026	60,380
2027	(132)
Total	<u>\$ (135,575)</u>

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$146,291), which represents the District's proportionate share of allocable plan pension revenue of (\$94,047), plus the net amortization of deferred amounts from changes in proportion of (\$36,737), plus other adjustments to the net pension liability of (\$15,507). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	62,595
Interest on total pension liability		251,052
Benefit changes		728
Member contributions		(52,201)
Administrative expense		1,121
Expected investment return net of investment expense		(167,585)
Pension expense related to specific liabilities of individual employers		(899)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		2,972
Changes of assumptions		(187,662)
Difference between projected and actual investment earnings on pension plan investments		(4,168)
Pension expense (benefit)	\$	(94,047)

B. Teachers' pension and annuity fund (TPAF)

Plan description

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

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)  
B. Teachers' pension and annuity fund (TPAF) (continued)  
Plan description (continued)

The following represents the membership Tiers for TPAF:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Contributions

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Special funding situation

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

During the state fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,295,007 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$ 23,576,610
Less: State proportionate share of net pension liability	7,612,187
Net pension liability	\$ 15,964,423

Proportionate share	0.0309421529%
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Plan fiduciary net position as a percentage of the total pension liability	32.29%
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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:

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 -

Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Actuarial assumptions (continued)

Inflation rate

Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 5.65%

Investment rate of return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-term expected rate of return

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



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)  
B. Teachers' pension and annuity fund (TPAF) (continued)  
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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 after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, 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% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	15,964,423
At a 1% lower rate (6.00%)		18,718,625
At a 1% higher rate (8.00%)		13,644,354

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Pension expense (benefit)

The components of allocable pension expense (benefit), which pension expense (benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	369,183
Interest on total pension liability		1,590,050
Benefit changes		-
Member contributions		(280,300)
Administrative expense		3,904
Expected investment return net of investment expense		(612,655)
Pension expense related to specific liabilities of individual employers		(122)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		61,999
Changes of assumptions		(740,337)
Difference between projected and actual investment earnings on pension plan investments		37,925
Pension expense (benefit)	\$	429,647

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcprp](http://www.prudential.com/njdcprp).

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's net contribution to the DCRP for fiscal year ended 2023 was \$4,080.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans (continued)

D. Other pension plan information

During the year ended June 30, 2023, the State of New Jersey contributed \$307,292 to the TPAF for postretirement medical benefits, \$16,007 for non-contributory insurance premiums, \$525 for long-term disability insurance, and \$1,153,749 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$246,005 during the year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.nj.gov/treasury/pensions/gasb-notices-opeb.shtml>.

Total OPEB liability

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

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 50,646,462,966
District's proportionate share of the State's OPEB liability	18,836,783
Employer OPEB expense and related revenue	111,058
Allocable proportionate percentage	0.0371926920%

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)  
Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2021	\$ 22,193,148
Service cost	840,717
Interest cost	499,196
Change of benefit terms	-
Differences between expected and actual experiences	835,463
Changes of assumptions	(5,053,136)
Member contributions	15,863
Gross benefit payments	(494,468)
Total OPEB liability at June 30, 2022	\$ 18,836,783

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54% as of the June 30, 2022 Plan measurement date.

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

	<u>TPAF</u>	<u>PERS</u>
Salary increases	(based on years of service) 2.75% - 4.25%	(based on years of service) 2.75% - 6.55%

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

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

Discount rate

The discount rate for June 30, 2022 was 3.54%. This represents the Municipal Bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the Municipal Bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the Municipal Bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (2.54%)	\$ 18,836,783
At a 1% lower rate (3.54%)	22,140,657
At a 1% higher rate (4.54%)	16,188,893

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 18,836,783
At a 1% lower rate (1% decrease)	15,569,753
At a 1% higher rate (1% increase)	23,128,226

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)  
OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$869,444 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB Plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

- AXA Equitable
- Lincoln Financial Group
- Metlife
- Orion
- Vanguard

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2023 is as follows:

	Receivable Fund	Payable Fund
General fund	\$ -	\$ 2,677
Food service fund	2,677	-
Total	\$ 2,677	\$ 2,677

The food service fund has an interfund receivable from the general fund for \$2,677 for subsidies received in the general fund not yet transferred to the food service fund.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$	4,722
Supplies		1,800
Total		6,522

Note 11 - Contingent liabilities  
Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

*Property and Liability Insurance* - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past year. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

*New Jersey Unemployment Compensation Insurance* - The District has elected to fund its NJ Unemployment Compensation Insurance under the Contributory Method. Under this Plan, the District is required to remit the entire employee deduction of unemployment compensation to the State. Any claims for unemployment are paid for by the State from those funds.

Note 13 - Reserve accounts

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



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$550,000 to their capital reserve account and \$212,000 to their maintenance reserve account.

The following schedule is a summarization of the reserve accounts for the current fiscal year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,906,527	\$ 550,000	\$ 12,928	\$ -	\$ -	\$ 2,469,455
Maintenance	590,552	212,000	2,978	-	212,000	593,530
Total	<u>\$ 2,497,079</u>	<u>\$ 762,000</u>	<u>\$ 15,906</u>	<u>\$ -</u>	<u>\$ 212,000</u>	<u>\$ 3,062,985</u>

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - Fund balance

As described in Note 1 (O) fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 754,187
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	632,858
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	2,469,455
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	593,530

Committed

Year-end encumbrance - represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30.	112,886
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Assigned

Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024	50,805
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	285,280
Total fund balance - budgetary basis (Exhibit C-1)	4,899,001
Last state aid payments not recognized on GAAP basis	(76,541)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 4,822,460

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to 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 is \$632,858.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report:

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

Note 17 - Subsequent events

The District has evaluated subsequent events through November 30, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenue					
Local sources					
Local tax levy	\$ 7,463,944	\$ -	\$ 7,463,944	\$ 7,463,944	\$ -
Tuition from individuals	40,000	-	40,000	103,918	63,918
Tuition from other LEAs within the State	25,000	-	25,000	8,530	(16,470)
Unrestricted miscellaneous revenues	15,500	-	15,500	70,203	54,703
Interest earned on maintenance reserve	100	-	100	2,978	2,878
Interest earned on capital reserve funds	100	-	100	12,927	12,827
Total	<u>7,544,644</u>	<u>-</u>	<u>7,544,644</u>	<u>7,662,500</u>	<u>117,856</u>
State sources					
School Choice Aid	77,250	-	77,250	77,250	-
Categorical Transportation Aid	113,737	-	113,737	113,737	-
Extraordinary Aid	-	-	-	34,032	34,032
Categorical Special Education Aid	303,137	-	303,137	303,137	-
Equalization Aid	256,534	-	256,534	256,534	-
Categorical Security Aid	37,641	-	37,641	37,641	-
Other State Aid	-	-	-	1,248	1,248
Stabilization Aid	-	-	-	50,805	50,805
TPAF Pension (on-behalf)	-	-	-	1,153,749	1,153,749
TPAF Non-contributory insurance	-	-	-	16,007	16,007
TPAF Social Security (reimbursed)	-	-	-	246,005	246,005
TPAF Postretirement benefits	-	-	-	307,292	307,292
TPAF Long-term disability insurance	-	-	-	525	525
Total	<u>788,299</u>	<u>-</u>	<u>788,299</u>	<u>2,597,962</u>	<u>1,809,663</u>
Total revenues	<u>\$ 8,332,943</u>	<u>\$ -</u>	<u>\$ 8,332,943</u>	<u>\$ 10,260,462</u>	<u>\$ 1,927,519</u>
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 78,452	\$ 17,203	\$ 95,655	\$ 94,655	\$ 1,000
Kindergarten	181,552	(17,203)	164,349	142,134	22,215
Grades 1-5	927,836	25,270	953,106	889,884	63,222
Grades 6-8	711,804	(25,270)	686,534	632,553	53,981
Home instruction					
Salaries of teacher	16,000	9,281	25,281	11,085	14,196
Purchased professional - educational services	-	3,000	3,000	-	3,000
Regular programs - undistributed instruction					
Purchased professional - educational services	31,200	(20,008)	11,192	448	10,744
Purchased technical services	98,900	18,708	117,608	100,859	16,749
Other purchased services	14,850	-	14,850	12,853	1,997
General supplies	153,111	(2,263)	150,848	100,901	49,947
Textbooks	70,000	(45,548)	24,452	7,998	16,454
Other objects	2,000	-	2,000	20	1,980
Total	<u>2,285,705</u>	<u>(36,830)</u>	<u>2,248,875</u>	<u>1,993,390</u>	<u>255,485</u>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Special education					
Emotional Regulation Impairment					
Salaries of Teachers	\$ 60,279	\$ 24,975	\$ 85,254	\$ 83,472	\$ 1,782
Other salaries for instruction	44,775	(19,993)	24,782	23,710	1,072
Purchased professional-educational services	25,154	(9,000)	16,154	2,663	13,491
Total	<u>130,208</u>	<u>(4,018)</u>	<u>126,190</u>	<u>109,845</u>	<u>16,345</u>
Resource room/resource center					
Salaries of Teachers	753,650	(2,695)	750,955	721,749	29,206
Other salaries for instruction	28,994	30,466	59,460	50,795	8,665
Other purchased services	5,745	(2,226)	3,519	1,345	2,174
General supplies	6,355	1,555	7,910	7,173	737
Total	<u>794,744</u>	<u>27,100</u>	<u>821,844</u>	<u>781,062</u>	<u>40,782</u>
Preschool disabilities - part-time					
Salaries of Teachers	35,065	2,000	37,065	11,171	25,894
Other salaries for instruction	32,973	4,377	37,350	36,227	1,123
Other purchased services	6,000	(5,000)	1,000	-	1,000
Total	<u>74,038</u>	<u>1,377</u>	<u>75,415</u>	<u>47,398</u>	<u>28,017</u>
Total special education	<u>998,990</u>	<u>24,459</u>	<u>1,023,449</u>	<u>938,305</u>	<u>85,144</u>
Basic skills/remedial					
Salaries of Teachers	65,329	27,600	92,929	63,661	29,268
General supplies	1,000	-	1,000	-	1,000
Total	<u>66,329</u>	<u>27,600</u>	<u>93,929</u>	<u>63,661</u>	<u>30,268</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	41,461	7,020	48,481	41,968	6,513
Purchased services	1,000	(20)	980	374	606
Supplies and materials	8,000	(7,608)	392	154	238
Other objects	700	-	700	70	630
Total	<u>51,161</u>	<u>(608)</u>	<u>50,553</u>	<u>42,566</u>	<u>7,987</u>
School-sponsored athletics - instruction					
Salaries	20,389	(300)	20,089	16,346	3,743
Purchased services	5,000	178	5,178	5,178	-
Supplies and materials	5,000	944	5,944	5,939	5
Other objects	300	(214)	86	60	26
Total	<u>30,689</u>	<u>608</u>	<u>31,297</u>	<u>27,523</u>	<u>3,774</u>
Total instruction regular	<u>\$ 3,432,874</u>	<u>\$ 15,229</u>	<u>\$ 3,448,103</u>	<u>\$ 3,065,445</u>	<u>\$ 382,658</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ 86,784	\$ (7,000)	\$ 79,784	\$ 23,016	\$ 56,768
Total	<u>86,784</u>	<u>(7,000)</u>	<u>79,784</u>	<u>23,016</u>	<u>56,768</u>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - attendance & social work					
Salaries	\$ 69,338	\$ -	\$ 69,338	\$ 69,202	\$ 136
Total	69,338	-	69,338	69,202	136
Undistributed expenditures - health services					
Salaries	137,758	3,649	141,407	141,234	173
Purchased professional and technical services	23,108	(3,649)	19,459	9,809	9,650
Other purchased services	500	-	500	3	497
Supplies and materials	5,400	-	5,400	3,864	1,536
Other objects	630	-	630	-	630
Total	167,396	-	167,396	154,910	12,486
Undistributed expenditures - speech, ot, pt & related services					
Salaries	73,380	799	74,179	73,902	277
Purchased professional - educational services	61,200	(935)	60,265	47,498	12,767
Supplies and materials	1,600	-	1,600	558	1,042
Total	136,180	(136)	136,044	121,958	14,086
Undistributed expend - other supp. service stds. - extra service					
Salaries	25,000	-	25,000	22,616	2,384
Purchased professional - educational services	28,325	-	28,325	27,593	732
Total	53,325	-	53,325	50,209	3,116
Undistributed expenditures - guidance					
Salaries of other Professional Staff	123,808	-	123,808	123,808	-
Purchased professional - educational services	4,000	-	4,000	290	3,710
Other purchased services	1,000	-	1,000	-	1,000
Supplies and materials	800	(50)	750	382	368
Other objects	300	50	350	200	150
Total	129,908	-	129,908	124,680	5,228
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	306,010	17,201	323,211	313,034	10,177
Salaries of Secretarial and Clerical Assistants	23,084	-	23,084	21,107	1,977
Purchased professional - educational services	53,860	(43,600)	10,260	5,395	4,865
Other purchased professional & technical services	6,390	1,626	8,016	8,016	-
Other purchased services	2,275	(1,000)	1,275	1,173	102
Supplies and materials	4,400	(100)	4,300	2,306	1,994
Other objects	2,000	(800)	1,200	-	1,200
Total	398,019	(26,673)	371,346	351,031	20,315
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	82,773	11,615	94,388	91,214	3,174
Other salaries	7,500	-	7,500	-	7,500
Other purchased professional & technical services	-	5,800	5,800	5,799	1
Other objects	1,250	-	1,250	-	1,250
Total	91,523	17,415	108,938	97,013	11,925

See independent auditors' report.



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - edu. media service/sch. library					
Salaries	\$ 79,604	\$ -	\$ 79,604	\$ 79,603	\$ 1
Salaries of technology coordinators	83,017	-	83,017	74,707	8,310
Purchased professional and technical services	50,600	(21,915)	28,685	4,995	23,690
Other purchased services	34,165	-	34,165	21,983	12,182
Supplies and materials	25,421	-	25,421	9,880	15,541
Other objects	15,498	-	15,498	923	14,575
<b>Total</b>	<b>288,305</b>	<b>(21,915)</b>	<b>266,390</b>	<b>192,091</b>	<b>74,299</b>
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	9,000	(4,380)	4,620	355	4,265
Other purchased professional & technical services	-	4,380	4,380	-	4,380
Other purchased services	17,000	(2,800)	14,200	7,502	6,698
Supplies and materials	1,600	-	1,600	165	1,435
Other objects	3,000	-	3,000	497	2,503
<b>Total</b>	<b>30,600</b>	<b>(2,800)</b>	<b>27,800</b>	<b>8,519</b>	<b>19,281</b>
Undistributed expenditures - support service - general admin.					
Salaries	66,117	5,175	71,292	70,065	1,227
Legal services	36,000	5,041	41,041	39,658	1,383
Audit fees	22,000	(1,500)	20,500	20,500	-
Architectural/engineering services	-	8,500	8,500	4,974	3,526
Other purchased professional services	4,970	(3,832)	1,138	1,138	-
Purchased technical services	-	5,678	5,678	5,678	-
Communications/telephone	36,000	2,724	38,724	36,959	1,765
BOE other purchased services	4,500	(1,346)	3,154	2,879	275
Miscellaneous purchased services	13,080	(3,419)	9,661	9,319	342
General supplies	500	(255)	245	237	8
BOE in-house training/meeting supplies	100	(100)	-	-	-
Miscellaneous expenditures	2,500	2,799	5,299	4,447	852
BOE membership dues and fees	6,300	(945)	5,355	5,307	48
<b>Total</b>	<b>192,067</b>	<b>18,520</b>	<b>210,587</b>	<b>201,161</b>	<b>9,426</b>
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	118,563	13,000	131,563	126,447	5,116
Salaries of Secretarial and Clerical assistants	87,456	3,000	90,456	87,150	3,306
Other purchased services	3,500	-	3,500	1,605	1,895
Supplies and materials	3,000	-	3,000	1,657	1,343
Other objects	2,000	3,615	5,615	2,653	2,962
<b>Total</b>	<b>214,519</b>	<b>19,615</b>	<b>234,134</b>	<b>219,512</b>	<b>14,622</b>
Undistributed expenditures - central services					
Salaries	162,000	4,680	166,680	166,680	-
Purchased professional services	2,100	825	2,925	2,925	-
Purchased technical services	4,000	12,192	16,192	16,192	-
Miscellaneous purchased services	2,000	423	2,423	2,140	283
Supplies and materials	1,800	(1,640)	160	159	1
Other objects	1,190	800	1,990	1,990	-
<b>Total</b>	<b>173,090</b>	<b>17,280</b>	<b>190,370</b>	<b>190,086</b>	<b>284</b>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - required maint. for school facilities					
Salaries	\$ 72,250	\$ 7,600	\$ 79,850	\$ 78,675	\$ 1,175
Cleaning, repair, and maintenance services	388,318	-	388,318	311,030	77,288
Lead testing in water	52,000	-	52,000	44,055	7,945
General supplies	55,969	(4,100)	51,869	29,152	22,717
<b>Total</b>	<b>568,537</b>	<b>3,500</b>	<b>572,037</b>	<b>462,912</b>	<b>109,125</b>
Undistributed expenditures - custodial services					
Salaries	241,677	17,929	259,606	240,028	19,578
Salaries of non-instructional aides	21,779	(21,779)	-	-	-
Purchased professional and technical services	131,450	(30,209)	101,241	35,523	65,718
Cleaning, repair, and maintenance service	40,000	-	40,000	35,091	4,909
Other purchased property services	7,000	-	7,000	985	6,015
Insurance	64,915	(1,100)	63,815	45,993	17,822
Miscellaneous purchased services	-	1,900	1,900	734	1,166
General supplies	28,500	1,852	30,352	26,631	3,721
Energy (electricity)	120,000	-	120,000	103,529	16,471
Energy (oil)	149,000	-	149,000	132,047	16,953
Energy (gasoline)	2,500	-	2,500	1,580	920
Other objects	5,750	-	5,750	1,224	4,526
<b>Total</b>	<b>812,571</b>	<b>(31,407)</b>	<b>781,164</b>	<b>623,365</b>	<b>157,799</b>
Undistributed expenditures - care and upkeep of grounds					
Salaries	10,000	(3,996)	6,004	5,143	861
Cleaning, repair, and maintenance service	10,000	7,642	17,642	8,007	9,635
General supplies	13,401	(2,355)	11,046	5,907	5,139
<b>Total</b>	<b>33,401</b>	<b>1,291</b>	<b>34,692</b>	<b>19,057</b>	<b>15,635</b>
Undistributed expenditures - security					
Purchased professional and technical services	5,000	10,350	15,350	14,407	943
General supplies	3,500	3,456	6,956	6,861	95
<b>Total</b>	<b>8,500</b>	<b>13,806</b>	<b>22,306</b>	<b>21,268</b>	<b>1,038</b>
Undistributed expenditures - student transportation service					
Management fee - ESC & CTSA trans. program	18,000	-	18,000	14,759	3,241
Contract serv. - aid in lieu pymts. - non-public schools	12,000	-	12,000	7,621	4,379
Contract serv. - aid in lieu pymts. - choice school students	8,000	-	8,000	2,044	5,956
Contract serv. (oth. than between home & school) - vend.	30,000	-	30,000	23,274	6,726
Contract service (sp ed stds) - vendors	3,000	-	3,000	-	3,000
Contract serv. (reg. students) - ESCs & CTSAs	358,700	(11,000)	347,700	290,059	57,641
Contract serv. (spl. ed. students) - ESCs & CTSAs	178,000	(13,570)	164,430	72,322	92,108
<b>Total</b>	<b>607,700</b>	<b>(24,570)</b>	<b>583,130</b>	<b>410,079</b>	<b>173,051</b>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Unallocated benefits - employee benefits					
Social Security contributions	\$ 85,000	\$ 3,995	\$ 88,995	\$ 88,995	\$ -
Other retirement contributions - PERS	130,000	(3,995)	126,005	108,510	17,495
Other retirement contributions - ERIP	7,500	-	7,500	2,602	4,898
Unemployment compensation	28,000	-	28,000	18,531	9,469
Workmen's compensation	60,000	-	60,000	60,000	-
Health benefits	1,492,000	-	1,492,000	1,337,529	154,471
Tuition reimbursement	40,000	-	40,000	6,459	33,541
Other employee benefits	25,000	-	25,000	1,275	23,725
<b>Total</b>	<b>1,867,500</b>	<b>-</b>	<b>1,867,500</b>	<b>1,623,901</b>	<b>243,599</b>
On-behalf TPAF Pension contribution	-	-	-	1,153,749	(1,153,749)
On-behalf TPAF Non-contributory insurance	-	-	-	16,007	(16,007)
On-behalf TPAF Postretirement medical benefits	-	-	-	307,292	(307,292)
On-behalf TPAF Long-term disability insurance	-	-	-	525	(525)
Reimbursed TPAF Social Security contribution	-	-	-	246,005	(246,005)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,723,578</b>	<b>(1,723,578)</b>
<b>Total undistributed expenditures</b>	<b>\$ 5,929,263</b>	<b>\$ (23,074)</b>	<b>\$ 5,906,189</b>	<b>\$ 6,687,548</b>	<b>\$ (781,359)</b>
<b>Total current</b>	<b>\$ 9,362,137</b>	<b>\$ (7,845)</b>	<b>\$ 9,354,292</b>	<b>\$ 9,752,993</b>	<b>\$ (398,701)</b>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - custodial services	\$ -	\$ 12,982	\$ 12,982	\$ 12,180	\$ 802
Undistributed expenditures - care and upkeep of grounds	-	13,570	13,570	13,570	-
Undistributed expenditures - security	31,191	-	31,191	31,191	-
<b>Total equipment</b>	<b>31,191</b>	<b>26,552</b>	<b>57,743</b>	<b>56,941</b>	<b>802</b>
Facilities acquisition and construction service					
Other purchased professional and technology services	153,132	6,004	159,136	153,132	6,004
Assessment for debt service on SDA funding	22,885	-	22,885	22,885	-
<b>Total facilities acquisition and construction service</b>	<b>176,017</b>	<b>6,004</b>	<b>182,021</b>	<b>176,017</b>	<b>6,004</b>
<b>Total capital outlay</b>	<b>\$ 207,208</b>	<b>\$ 32,556</b>	<b>\$ 239,764</b>	<b>\$ 232,958</b>	<b>\$ 6,806</b>
<b>Total expenditures</b>	<b>\$ 9,569,345</b>	<b>\$ 24,711</b>	<b>\$ 9,594,056</b>	<b>\$ 9,985,951</b>	<b>\$ (391,895)</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,236,402)	\$ (24,711)	\$ (1,261,113)	\$ 274,511	\$ 1,535,624
Fund balances, July 1	4,624,490	-	4,624,490	4,624,490	-
Fund balances, June 30	<b>\$ 3,388,088</b>	<b>\$ (24,711)</b>	<b>\$ 3,363,377</b>	<b>\$ 4,899,001</b>	<b>\$ 1,535,624</b>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (208,978)	\$ -	\$ (208,978)	\$ (208,978)	\$ -
Increase in capital reserve	-	550,000	550,000	550,000	-
Interest deposit to capital reserve	100	-	100	12,928	12,828
Increase in maintenance reserve	-	212,000	212,000	212,000	-
Interest earned on maintenance reserve	100	-	100	2,978	2,878
Withdrawal from maintenance reserve	(212,000)	-	(212,000)	(212,000)	-
Budgeted fund balance	(815,624)	(786,711)	(1,602,335)	(82,417)	1,519,918
<b>Total</b>	<b>\$ (1,236,402)</b>	<b>\$ (24,711)</b>	<b>\$ (1,261,113)</b>	<b>\$ 274,511</b>	<b>\$ 1,535,624</b>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 754,187	
Excess surplus - current year				632,858	
Capital reserve				2,469,455	
Maintenance reserve				593,530	
Committed fund balance					
Year-end encumbrances				112,886	
Assigned fund balance					
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2023 - June 30, 2024				50,805	
Unassigned fund balance				285,280	
Fund balance per budgetary basis				4,899,001	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(76,541)	
Fund balance per governmental funds (GAAP)				\$ 4,822,460	

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 471,724	\$ 1,097	\$ 472,821	\$ 212,227	\$ (260,594)
State sources	22,552	-	22,552	11,797	(10,755)
Local sources	10,900	-	10,900	19,340	8,440
Total revenues	<u>\$ 505,176</u>	<u>\$ 1,097</u>	<u>\$ 506,273</u>	<u>\$ 243,364</u>	<u>\$ (262,909)</u>
Expenditures					
Instruction					
Salaries	\$ 62,100	\$ (5,662)	\$ 56,438	\$ 19,804	\$ 36,634
Purchased professional and technical services	73,060	(4,318)	68,742	52,382	16,360
Other purchased services	15,000	(15,000)	-	-	-
General supplies	88,964	9,138	98,102	68,345	29,757
Total	<u>239,124</u>	<u>(15,842)</u>	<u>223,282</u>	<u>140,531</u>	<u>82,751</u>
Support services					
Tuition	-	15,000	15,000	15,000	-
Employee benefits	21,974	(438)	21,536	1,553	19,983
Purchased professional and technical services	113,219	13,038	126,257	53,018	73,239
Rentals	8,082	-	8,082	8,082	-
Other purchased services	39,050	(1,505)	37,545	7,810	29,735
General supplies	38,662	(25,052)	13,610	8,285	5,325
Student activities	-	15,896	15,896	15,896	-
Total	<u>220,987</u>	<u>16,939</u>	<u>237,926</u>	<u>109,644</u>	<u>128,282</u>
Capital outlay					
Instructional Equipment	45,065	-	45,065	-	45,065
Total	<u>45,065</u>	<u>-</u>	<u>45,065</u>	<u>-</u>	<u>45,065</u>
Total expenditures	<u>\$ 505,176</u>	<u>\$ 1,097</u>	<u>\$ 506,273</u>	<u>\$ 250,175</u>	<u>\$ 256,098</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ (6,811)	\$ (6,811)
Fund balances, July 1	<u>31,726</u>	<u>-</u>	<u>31,726</u>	<u>31,726</u>	<u>-</u>
Fund balances, June 30	<u>\$ 31,726</u>	<u>\$ -</u>	<u>\$ 31,726</u>	<u>\$ 24,915</u>	<u>\$ 6,811</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 24,915	
Fund balance per budgetary basis				<u>\$ 24,915</u>	

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part II**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2023**

Explanation of Differences Between Budgetary Inflows and  
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 10,260,462	\$ 243,364
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	7,425
Outstanding encumbrances - current year	-	(51,813)
Differences - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not		
State aid receivable prior year	95,323	-
State aid receivable current year	(76,541)	-
Total revenues (GAAP basis)	<u>\$ 10,279,244</u>	<u>\$ 198,976</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,985,951	\$ 250,175
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	7,425
Outstanding encumbrances - current year	-	(51,813)
Total expenditures (GAAP basis)	<u>\$ 9,985,951</u>	<u>\$ 205,787</u>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value		as a percentage of its covered employee payroll	
2014	0.0069480000%	\$ 1,300,803	\$ 465,430	N/A	48.62%
2015	0.0096650000%	2,169,545	651,632	332.94%	47.93%
2016	0.0098270000%	2,910,353	848,259	343.10%	40.14%
2017	0.0091820000%	2,137,312	619,919	344.77%	48.10%
2018	0.0085200000%	1,677,596	668,514	250.94%	53.60%
2019	0.0098170000%	1,768,810	667,589	264.95%	53.60%
2020	0.0101590000%	1,656,737	548,749	301.91%	56.27%
2021	0.0079417395%	940,818	587,518	160.13%	70.33%
2022	0.0086050648%	1,298,623	586,625	221.37%	62.91%
2023	N/A	N/A	662,668	N/A	N/A

N/A = Information not available

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District's Contributions**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2014	\$ 55,191	N/A	N/A	\$ 465,430	N/A
2015	57,276	\$ (57,276)	\$ -	651,632	8.79%
2016	66,894	(66,894)	-	848,259	7.89%
2017	87,298	(87,298)	-	619,919	14.08%
2018	85,057	(85,057)	-	668,514	12.72%
2019	80,895	(80,895)	-	667,589	12.12%
2020	96,219	(96,219)	-	548,749	17.53%
2021	111,139	(111,139)	-	587,518	18.92%
2022	93,007	(93,007)	-	586,625	15.85%
2023	108,514	(108,514)	-	662,668	16.38%

N/A = Information not available

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	<u>portionate share of net pension liability (as:</u>		<u>State's</u>	<u>Total</u>	<u>District's covered</u>	<u>District's proportion of the</u>	<u>Plan fiduciary</u>
	<u>District's proportion</u>	<u>Value</u>					
	<u>Percentage</u>	<u>Value</u>	<u>proportion</u>	<u>Total</u>	<u>employee payroll</u>	<u>as a percentage of its</u>	<u>as a percentage of the</u>
2014	0.00%	\$ -	\$ 20,444,648	\$ 20,444,648	\$ 3,640,258	0.00%	33.64%
2015	0.00%	-	20,332,072	20,332,072	3,662,906	0.00%	28.71%
2016	0.00%	-	23,741,616	23,741,616	3,882,933	0.00%	22.33%
2017	0.00%	-	30,142,183	30,142,183	3,726,028	0.00%	25.41%
2018	0.00%	-	24,990,083	24,990,083	3,518,154	0.00%	26.49%
2019	0.00%	-	23,661,714	23,661,714	3,700,476	0.00%	26.95%
2020	0.00%	-	21,878,027	21,878,027	3,424,523	0.00%	24.60%
2021	0.00%	-	22,393,537	22,393,537	3,403,285	0.00%	35.52%
2022	0.00%	-	16,463,982	16,463,982	3,211,417	0.00%	32.29%
2023	N/A	N/A	15,964,423	15,964,423	3,416,175	N/A	N/A

N/A = Information not available

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District's Contributions**  
**Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	N/A	N/A	N/A	\$ 3,640,258	N/A
2015	\$ 262,200	\$ (262,200)	\$ -	3,662,906	7.16%
2016	201,875	(201,875)	-	3,882,933	5.20%
2017	305,512	(305,512)	-	3,726,028	8.20%
2018	416,199	(416,199)	-	3,518,154	11.83%
2019	562,237	(562,237)	-	3,700,476	15.19%
2020	716,771	(716,771)	-	3,424,523	20.93%
2021	770,620	(770,620)	-	3,403,285	22.64%
2022	1,003,593	(1,003,593)	-	3,211,417	31.25%
2023	1,295,007	(1,295,007)	-	3,416,175	37.91%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)  
(UNAUDITED)**

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Other**  
**Postemployment Employee Benefits Liability**  
**Last Ten Fiscal Years**

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's				
	Percentage	Value	proportion				
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.04%	\$ -	\$ 22,220,743	\$ 22,220,743	\$ 4,381,448	0.00%	0.00%
2018	0.04%	-	19,036,892	19,036,892	4,368,065	0.00%	0.00%
2019	0.04%	-	16,701,808	16,701,808	3,973,272	0.00%	0.00%
2020	0.04%	-	26,963,329	26,963,329	3,990,803	0.00%	0.00%
2021	0.00%	-	22,193,148	22,193,148	3,403,285	0.00%	0.00%
2022	0.00%	-	18,836,783	18,836,783	3,211,417	0.00%	0.00%
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2023**

- Note 1 - Special funding situation - TPAF and other postretirement benefits  
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF  
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
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 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

## **SPECIAL REVENUE FUND**

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



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Total Brought Forward	REAP	IDEA Basic	IDEA Preschool	ESSA Title IIA	ESSA Title IVA	Total
<b>Revenues</b>							
Federal sources	\$ 50,178	\$ 37,899	\$ 102,270	\$ 1,556	\$ 10,811	\$ 9,513	\$ 212,227
State sources	11,797	-	-	-	-	-	11,797
Local sources	19,340	-	-	-	-	-	19,340
<b>Total revenues</b>	<b>\$ 81,315</b>	<b>\$ 37,899</b>	<b>\$ 102,270</b>	<b>\$ 1,556</b>	<b>\$ 10,811</b>	<b>\$ 9,513</b>	<b>\$ 243,364</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ 19,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,804
Purchased professional and technical services	6,100	-	46,282	-	-	-	52,382
General supplies	16,626	37,899	-	1,556	2,751	9,513	68,345
<b>Total</b>	<b>42,530</b>	<b>37,899</b>	<b>46,282</b>	<b>1,556</b>	<b>2,751</b>	<b>9,513</b>	<b>140,531</b>
<b>Support services</b>							
Tuition	-	-	15,000	-	-	-	15,000
Employee benefits	1,553	-	-	-	-	-	1,553
Purchased professional and technical services	5,460	-	40,988	-	6,570	-	53,018
Rentals	7,810	-	-	-	-	-	7,810
Purchased property services	8,082	-	-	-	-	-	8,082
General supplies	6,795	-	-	-	1,490	-	8,285
Student activities	15,896	-	-	-	-	-	15,896
<b>Total</b>	<b>45,596</b>	<b>-</b>	<b>55,988</b>	<b>-</b>	<b>8,060</b>	<b>-</b>	<b>109,644</b>
<b>Total expenditures</b>	<b>\$ 88,126</b>	<b>\$ 37,899</b>	<b>\$ 102,270</b>	<b>\$ 1,556</b>	<b>\$ 10,811</b>	<b>\$ 9,513</b>	<b>\$ 250,175</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,811)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,811)
Fund balances, July 1	31,726	-	-	-	-	-	31,726
Fund balances, June 30	\$ 24,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,915

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues (continued)**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	Total Brought Forward	ARP IDEA Preschool	ARP Accelerated Learning	ARP Summer Learning	ARP Beyond the School Day	CRRSA Learning Acceleration	Total Carried Forward
<b>Revenues</b>							
Federal sources	\$ 7,932	\$ 72	\$ 5,705	\$ 3,241	\$ 12,292	\$ 20,936	\$ 50,178
State sources	11,797	-	-	-	-	-	11,797
Local sources	19,340	-	-	-	-	-	19,340
<b>Total revenues</b>	<u>\$ 39,069</u>	<u>\$ 72</u>	<u>\$ 5,705</u>	<u>\$ 3,241</u>	<u>\$ 12,292</u>	<u>\$ 20,936</u>	<u>\$ 81,315</u>
<b>Expenditures</b>							
<b>Instruction</b>							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 11,164	\$ 8,640	\$ 19,804
Purchased professional and technical services	6,100	-	-	-	-	-	6,100
General supplies	3,547	72	2,125	3,241	230	7,411	16,626
<b>Total</b>	<u>9,647</u>	<u>72</u>	<u>2,125</u>	<u>3,241</u>	<u>11,394</u>	<u>16,051</u>	<u>42,530</u>
<b>Support services</b>							
Tuition	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	898	655	1,553
Purchased professional and technical services	5,460	-	-	-	-	-	5,460
Rentals	-	-	3,580	-	-	4,230	7,810
Purchased property services	8,082	-	-	-	-	-	8,082
General supplies	6,795	-	-	-	-	-	6,795
Student activities	15,896	-	-	-	-	-	15,896
<b>Total</b>	<u>36,233</u>	<u>-</u>	<u>3,580</u>	<u>-</u>	<u>898</u>	<u>4,885</u>	<u>45,596</u>
<b>Total expenditures</b>	<u>\$ 45,880</u>	<u>\$ 72</u>	<u>\$ 5,705</u>	<u>\$ 3,241</u>	<u>\$ 12,292</u>	<u>\$ 20,936</u>	<u>\$ 88,126</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (6,811)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,811)
Fund balances, July 1	31,726	-	-	-	-	-	31,726
Fund balances, June 30	<u>\$ 24,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,915</u>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues (continued)**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2023**

	CRRSA ESSER II	CRRSA Mental Health	School Climate Change	SDA Emergent and Capital Maintenance Needs	Local	Student Activities	Total Carried Forward
Revenues							
Federal sources	\$ 2,832	\$ 5,100	\$ -	\$ -	\$ -	\$ -	\$ 7,932
State sources	-	-	3,715	8,082	-	-	11,797
Local sources	-	-	-	-	10,255	9,085	19,340
Total revenues	<u>\$ 2,832</u>	<u>\$ 5,100</u>	<u>\$ 3,715</u>	<u>\$ 8,082</u>	<u>\$ 10,255</u>	<u>\$ 9,085</u>	<u>\$ 39,069</u>
Expenditures							
Instruction							
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	5,100	-	-	1,000	-	6,100
General supplies	2,832	-	715	-	-	-	3,547
Total	<u>2,832</u>	<u>5,100</u>	<u>715</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>9,647</u>
Support services							
Tuition	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	3,000	-	2,460	-	5,460
Rentals	-	-	-	-	-	-	-
Purchased property services	-	-	-	8,082	-	-	8,082
General supplies	-	-	-	-	6,795	-	6,795
Student activities	-	-	-	-	-	15,896	15,896
Total	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>8,082</u>	<u>9,255</u>	<u>15,896</u>	<u>36,233</u>
Total expenditures	<u>\$ 2,832</u>	<u>\$ 5,100</u>	<u>\$ 3,715</u>	<u>\$ 8,082</u>	<u>\$ 10,255</u>	<u>\$ 15,896</u>	<u>\$ 45,880</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,811)	\$ (6,811)
Fund balances, July 1	-	-	-	-	-	31,726	31,726
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,915</u>	<u>\$ 24,915</u>

See independent auditors' report.

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**For the Fiscal Year Ended June 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/22	Issued	Retired	Balance 06/30/23
			Date	Amount					
Refunding school bonds	09/23/15	\$ 4,185,000	07/01/23	\$ 275,000	4.00%	\$ 2,785,000	\$ -	\$ 265,000	\$ 2,520,000
			07/01/24	285,000	4.00%	-	-	-	-
			07/01/25	295,000	4.00%	-	-	-	-
			07/01/26	305,000	3.50%	-	-	-	-
			07/01/27	320,000	3.50%	-	-	-	-
			07/01/28	335,000	4.00%	-	-	-	-
			07/01/29	345,000	4.00%	-	-	-	-
			07/01/30	360,000	4.00%	-	-	-	-
						<u>\$ 2,785,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 2,520,000</u>

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2023**

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 367,975	\$ -	\$ 367,975	\$ 367,975	\$ -
Total revenues	<u>367,975</u>	<u>-</u>	<u>367,975</u>	<u>367,975</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	265,000	-	265,000	265,000	-
Interest	<u>102,975</u>	<u>-</u>	<u>102,975</u>	<u>102,975</u>	<u>-</u>
Total expenditures	<u>367,975</u>	<u>-</u>	<u>367,975</u>	<u>367,975</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

**STATISTICAL SECTION**

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Statistical Section J Series**

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ (683,958)	\$ (640,224)	\$ (1,110,056)	\$ (975,308)	\$ (952,366)	\$ (431,608)	\$ (306,579)	\$ (377,859)	\$ 164,225	\$ 488,568
Restricted	1,535,641	1,521,231	1,608,402	2,260,175	2,457,545	2,046,195	2,830,486	3,783,256	2,528,805	3,087,900
Unrestricted	(1,566,855)	(1,202,858)	(1,424,424)	(1,950,014)	(2,066,543)	(2,082,356)	(2,087,136)	(1,930,275)	199,334	198,273
Total governmental activities	<u>\$ (715,172)</u>	<u>\$ (321,851)</u>	<u>\$ (926,078)</u>	<u>\$ (665,147)</u>	<u>\$ (561,364)</u>	<u>\$ (467,769)</u>	<u>\$ 436,771</u>	<u>\$ 1,475,122</u>	<u>\$ 2,892,364</u>	<u>\$ 3,774,741</u>
Business-type activities										
Net investment in capital assets	\$ 36,746	\$ 27,798	\$ 18,850	\$ 9,902	\$ 954	\$ -	\$ -	\$ -	\$ 18,509	\$ 30,122
Unrestricted	5,740	4,119	5,732	13,902	11,300	24,113	9,266	28,263	61,180	60,268
Total business-type activities	<u>\$ 42,486</u>	<u>\$ 31,917</u>	<u>\$ 24,582</u>	<u>\$ 23,804</u>	<u>\$ 12,254</u>	<u>\$ 24,113</u>	<u>\$ 9,266</u>	<u>\$ 28,263</u>	<u>\$ 79,689</u>	<u>\$ 90,390</u>
District-wide										
Net investment in capital assets	\$ (647,212)	\$ (612,426)	\$ (1,091,206)	\$ (965,406)	\$ (951,412)	\$ (431,608)	\$ (306,579)	\$ (377,859)	\$ 182,734	\$ 518,690
Restricted	1,535,641	1,521,231	1,608,402	2,260,175	2,457,545	2,046,195	2,830,486	3,783,256	2,528,805	3,087,900
Unrestricted	(1,561,115)	(1,198,739)	(1,418,692)	(1,936,112)	(2,055,243)	(2,058,243)	(2,077,870)	(1,902,012)	260,514	258,541
Total district-wide	<u>\$ (672,686)</u>	<u>\$ (289,934)</u>	<u>\$ (901,496)</u>	<u>\$ (641,343)</u>	<u>\$ (549,110)</u>	<u>\$ (443,656)</u>	<u>\$ 446,037</u>	<u>\$ 1,503,385</u>	<u>\$ 2,972,053</u>	<u>\$ 3,865,131</u>

\*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,233,645	\$ 2,095,271	\$ 2,987,788	\$ 2,260,986	\$ 2,318,242	\$ 2,456,745	\$ 2,149,969	\$ 4,066,162	\$ 4,319,817	\$ 3,737,634
Special education	1,083,448	1,056,010	904,462	1,063,857	1,109,866	1,088,811	1,052,072	1,775,231	1,687,431	1,863,993
Other special education	-	-	-	-	-	-	-	-	185,485	110,598
Other instruction	82,785	103,156	65,713	60,770	53,738	59,300	47,664	165,139	133,253	83,501
Support services										
Tuition	259,797	275,132	246,456	116,256	128,441	216,469	73,463	34,219	109,483	38,016
Student and instruction related services	1,292,832	1,305,143	1,313,893	1,324,260	1,366,766	1,336,029	1,231,166	1,406,660	2,200,393	2,020,125
School administration	320,198	317,282	324,371	242,766	196,022	209,436	207,763	409,687	311,578	350,847
General and business administrative services	501,287	440,920	523,004	359,429	413,745	447,528	377,970	448,979	494,139	547,237
Plant operations and maintenance	846,671	820,342	684,671	923,373	1,031,927	988,659	769,233	1,109,931	1,176,744	1,228,160
Other support services	-	-	-	-	-	-	-	1,048,994	-	-
Unallocated depreciation and amortization	193,241	193,241	575,754	89,936	110,190	116,046	96,239	-	-	-
Pupil transportation	438,127	398,963	445,733	474,508	493,277	514,597	392,734	460,856	393,302	410,079
Unallocated benefits	2,017,592	2,242,219	2,580,456	4,828,108	5,076,082	4,177,272	3,482,374	-	-	-
Interest on long-term debt	233,499	217,332	193,088	124,074	121,993	119,215	115,581	88,403	102,898	114,333
Total governmental activities expenses	9,503,122	9,465,011	10,845,389	11,868,323	12,420,289	11,730,107	9,996,228	11,014,261	11,114,523	10,504,523
Business-type activities										
Food services	112,928	105,558	99,266	104,045	118,598	93,731	93,817	80,295	110,393	148,613
Total business-type activities	112,928	105,558	99,266	104,045	118,598	93,731	93,817	80,295	110,393	148,613
Total district expenses	\$ 9,616,050	\$ 9,570,569	\$ 10,944,655	\$ 11,972,368	\$ 12,538,887	\$ 11,823,838	\$ 10,090,045	\$ 11,094,556	\$ 11,224,916	\$ 10,653,136

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,439	\$ 121,533
Operating grants and contributions	1,405,638	1,370,193	1,594,724	3,471,069	3,473,946	2,567,025	1,835,011	154,263	168,365	189,891
Total governmental activities	<u>1,405,638</u>	<u>1,370,193</u>	<u>1,594,724</u>	<u>3,471,069</u>	<u>3,473,946</u>	<u>2,567,025</u>	<u>1,835,011</u>	<u>154,263</u>	<u>320,804</u>	<u>311,424</u>
Business-type activities										
Charges for services										
Food service	80,627	76,612	72,715	82,004	86,438	84,785	57,758	-	988	95,440
Operating grants and contributions	20,695	18,332	19,181	21,210	20,491	20,624	21,077	99,293	139,454	63,348
Total business-type activities	<u>101,322</u>	<u>94,944</u>	<u>91,896</u>	<u>103,214</u>	<u>106,929</u>	<u>105,409</u>	<u>78,835</u>	<u>99,293</u>	<u>140,442</u>	<u>158,788</u>
Total district-wide program revenues	<u>\$ 1,506,960</u>	<u>\$ 1,465,137</u>	<u>\$ 1,686,620</u>	<u>\$ 3,574,283</u>	<u>\$ 3,580,875</u>	<u>\$ 2,672,434</u>	<u>\$ 1,913,846</u>	<u>\$ 253,556</u>	<u>\$ 461,246</u>	<u>\$ 470,212</u>
Net (expense) revenues										
Governmental activities	\$ (8,097,484)	\$ (8,094,818)	\$ (9,250,665)	\$ (8,397,254)	\$ (8,946,343)	\$ (9,163,082)	\$ (8,161,217)	\$ (10,859,998)	\$ (10,793,719)	\$ (10,193,099)
Business-type activities	(11,606)	(10,614)	(7,370)	(831)	(11,669)	11,678	(14,982)	18,998	30,049	10,175
Total district-wide net expenses	<u>\$ (8,109,090)</u>	<u>\$ (8,105,432)</u>	<u>\$ (9,258,035)</u>	<u>\$ (8,398,085)</u>	<u>\$ (8,958,012)</u>	<u>\$ (9,151,404)</u>	<u>\$ (8,176,199)</u>	<u>\$ (10,841,000)</u>	<u>\$ (10,763,670)</u>	<u>\$ (10,182,924)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 6,934,529	\$ 6,899,434	\$ 7,038,822	\$ 7,038,822	\$ 7,038,272	\$ 7,038,272	\$ 7,179,037	\$ 7,463,944	\$ 7,463,944	\$ 7,463,944
Taxes levied for debt service	396,226	398,425	399,900	363,825	363,937	364,825	363,562	361,875	363,275	367,975
Unrestricted grants and contributions	1,097,406	1,136,502	1,118,661	1,124,182	1,541,033	1,598,984	1,369,481	3,999,888	4,106,403	3,157,449
Investment earnings	7,853	7,159	9,770	13,337	29,935	35,693	29,435	1,999	474	37,956
Miscellaneous income	18,178	46,621	79,287	35,083	76,950	218,906	90,130	70,645	29,869	48,152
Special item - loss on disposal of capital assets	-	-	-	-	-	-	-	-	(2,800)	-
Total governmental activities	<u>8,454,192</u>	<u>8,488,141</u>	<u>8,646,440</u>	<u>8,575,249</u>	<u>9,050,127</u>	<u>9,256,680</u>	<u>9,031,645</u>	<u>11,898,351</u>	<u>11,961,165</u>	<u>11,075,476</u>
Business-type activities										
Investment earnings	53	45	35	52	119	180	135	-	2	526
Total business-type activities	<u>53</u>	<u>45</u>	<u>35</u>	<u>52</u>	<u>119</u>	<u>180</u>	<u>135</u>	<u>-</u>	<u>2</u>	<u>526</u>
Total district-wide	<u>\$ 8,454,245</u>	<u>\$ 8,488,186</u>	<u>\$ 8,646,475</u>	<u>\$ 8,575,301</u>	<u>\$ 9,050,246</u>	<u>\$ 9,256,860</u>	<u>\$ 9,031,780</u>	<u>\$ 11,898,351</u>	<u>\$ 11,961,167</u>	<u>\$ 11,076,002</u>
Change in net position										
Governmental activities	\$ 356,708	\$ 393,323	\$ (604,225)	\$ 177,995	\$ 103,784	\$ 93,598	\$ 870,428	\$ 1,038,353	\$ 1,167,446	\$ 882,377
Business-type activities	(11,553)	(10,569)	(7,335)	(779)	(11,550)	11,858	(14,847)	18,998	30,051	10,701
Total district	<u>\$ 345,155</u>	<u>\$ 382,754</u>	<u>\$ (611,560)</u>	<u>\$ 177,216</u>	<u>\$ 92,234</u>	<u>\$ 105,456</u>	<u>\$ 855,581</u>	<u>\$ 1,057,351</u>	<u>\$ 1,197,497</u>	<u>\$ 893,078</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 1,065,867	\$ 1,047,082	\$ 1,226,832	\$ 2,240,484	\$ 2,361,554	\$ 2,024,197	\$ 2,722,940	\$ 3,733,760	\$ 4,066,890	\$ 4,450,030
Committed	469,774	174,147	628	76,251	2,306	-	18,079	6,940	208,978	112,886
Assigned	-	300,000	380,942	19,691	95,991	24,304	73,435	8,419	-	50,805
Unassigned	100,057	402,264	482,694	120,939	198,833	199,408	201,550	212,937	253,299	208,739
Total general fund	<u>1,635,698</u>	<u>1,923,493</u>	<u>2,091,096</u>	<u>2,457,365</u>	<u>2,658,684</u>	<u>2,247,909</u>	<u>3,016,004</u>	<u>3,962,056</u>	<u>4,529,167</u>	<u>4,822,460</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,111	\$ 34,137	\$ 31,726	\$ 24,915
Assigned, reported in										
Debt service fund	3	2	438	438	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 438</u>	<u>\$ 438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,111</u>	<u>\$ 34,137</u>	<u>\$ 31,726</u>	<u>\$ 24,915</u>
							*			

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Tax levy	\$ 7,330,755	\$ 7,297,859	\$ 7,438,722	\$ 7,402,647	\$ 7,402,209	\$ 7,403,097	\$ 7,542,599	\$ 7,825,819	\$ 7,827,219	\$ 7,831,919
Tuition charges	-	17,721	31,018	25,086	54,856	68,598	4,900	62,075	142,172	112,448
Interest income	7,853	7,159	9,770	13,337	29,935	35,693	29,435	1,999	474	37,956
Miscellaneous	10,078	19,773	41,580	3,947	22,094	151,279	94,590	15,141	46,136	67,492
Rents and royalties	8,100	9,127	7,025	6,050	-	-	-	-	-	-
State sources	2,283,875	2,345,679	2,561,051	2,595,247	2,814,728	2,911,971	2,686,775	2,806,279	2,849,554	2,623,204
Federal sources	219,169	161,015	151,998	137,562	162,888	165,679	54,286	147,691	162,365	173,176
<b>Total revenues</b>	<b>9,859,830</b>	<b>9,858,333</b>	<b>10,241,164</b>	<b>10,183,876</b>	<b>10,486,710</b>	<b>10,736,317</b>	<b>10,412,585</b>	<b>10,859,004</b>	<b>11,027,920</b>	<b>10,846,195</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	2,268,903	2,151,468	2,257,366	2,314,545	2,174,996	2,308,847	2,061,235	2,013,701	2,052,351	1,993,390
Special education instruction	1,083,448	1,056,010	904,462	928,420	1,109,866	1,088,811	1,052,072	1,043,297	831,747	938,305
Other special instruction	-	-	-	-	-	-	-	-	62,408	63,661
Other instruction	82,785	103,156	65,713	60,770	53,738	59,300	47,664	39,843	50,467	70,089
<b>Support services</b>										
Tuition	259,797	275,132	246,456	116,256	128,441	216,469	73,463	4,419	64,366	23,016
Student and instructional related services	1,292,832	1,305,143	1,313,893	1,324,260	1,353,806	1,336,029	1,231,166	1,322,150	1,218,793	1,169,613
General administration	315,800	283,585	232,718	204,591	229,545	258,835	188,850	199,116	184,583	201,161
School administration services	320,198	317,282	324,371	250,266	196,022	209,436	207,763	209,558	197,641	219,512
Central services	185,487	157,335	171,680	144,350	160,004	165,484	169,872	180,504	167,311	190,086
Administration info technology	-	-	3,455	-	-	-	-	-	-	-
Plant operations and maintenance	840,851	818,529	932,714	923,373	1,031,927	988,659	769,233	804,826	1,075,947	1,126,602
Pupil transportation	438,127	398,963	445,733	474,508	493,277	514,597	392,734	447,256	393,302	410,079
Unallocated benefits	1,312,578	1,443,254	1,552,267	1,643,107	1,722,203	1,722,824	1,656,059	1,693,139	1,647,674	1,623,901
On-behalf TPAF pension and Social Security contribution	705,014	800,583	938,436	1,030,244	1,171,327	1,309,217	1,279,770	1,572,645	1,821,127	1,723,578
Capital outlay	88,385	61,673	284,395	39,089	96,301	603,757	150,608	20,597	128,300	210,073
Special revenue funds	-	-	-	-	-	-	-	-	181,043	205,787
<b>Debt service</b>										
Principal	206,225	200,000	210,000	220,000	225,000	230,000	235,000	240,000	250,000	265,000
Interest and other charges	190,000	198,425	228,258	143,825	139,375	134,825	129,000	121,875	136,160	125,860
<b>Total expenditures</b>	<b>9,590,430</b>	<b>9,570,538</b>	<b>10,111,917</b>	<b>9,817,604</b>	<b>10,285,828</b>	<b>11,147,090</b>	<b>9,644,489</b>	<b>9,912,926</b>	<b>10,463,220</b>	<b>10,559,713</b>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 269,400	\$ 287,795	\$ 129,247	\$ 366,272	\$ 200,882	\$ (410,773)	\$ 768,096	\$ 946,078	\$ 564,700	\$ 286,482
Other financing sources (uses)										
Proceeds from refunding bond issue	-	-	4,537,870	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	(4,499,075)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	38,795	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 269,400</u>	<u>\$ 287,795</u>	<u>\$ 168,042</u>	<u>\$ 366,272</u>	<u>\$ 200,882</u>	<u>\$ (410,773)</u>	<u>\$ 768,096</u>	<u>\$ 946,078</u>	<u>\$ 564,700</u>	<u>\$ 286,482</u>
Debt service as a percentage of non-capital expenditures	4.35%	4.37%	4.67%	3.86%	3.71%	3.58%	3.99%	3.80%	3.88%	3.92%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.  
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**General Fund - Other Local Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest on investments	\$ 7,853	\$ 7,159	\$ 9,770	\$ 13,337	\$ 29,935	\$ 35,693	\$ 29,435	\$ 1,999	\$ 474	\$ 37,956
Refund prior year expenditures	2,331	12,693	17,134	2,083	15,487	143,055	18,299	7,460	271	21,837
Rentals	8,100	9,129	7,025	6,050	-	-	-	-	-	-
Miscellaneous	7,746	7,079	24,109	1,864	1,451	7,252	66,931	1,109	500	9,765
Tuition - individuals	-	17,721	31,018	25,086	54,856	68,598	4,900	62,075	117,172	103,918
Tuition - Other LEAs	-	-	-	-	-	-	-	-	25,000	8,530
Sale of assets	-	-	-	-	-	-	-	-	11,073	-
Summer camp	-	-	-	-	-	-	-	-	13,575	16,550
SHIF wellness	-	-	-	-	-	-	-	-	4,450	-
Annual totals	<u>26,030</u>	<u>53,781</u>	<u>89,056</u>	<u>48,420</u>	<u>101,729</u>	<u>254,598</u>	<u>119,565</u>	<u>72,643</u>	<u>172,515</u>	<u>198,556</u>

Source: District Records

See independent auditors' report.



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 6,086,400	\$ 6,106,000	\$ 6,711,400	\$ 5,901,100	\$ 5,892,300	\$ 5,281,300	\$ 5,431,300	\$ 5,806,600	\$ 5,605,500	\$ 5,259,100
Residential	449,860,400	450,125,100	452,135,100	451,871,100	451,422,100	450,237,599	448,095,799	447,171,699	446,228,899	446,973,699
Farm regular	40,892,300	41,193,900	40,529,300	41,376,000	41,290,500	42,283,600	42,752,400	43,546,400	44,637,100	45,287,300
Q farm	1,896,628	1,886,428	1,856,328	1,880,228	1,878,528	1,917,128	2,054,400	1,975,800	2,180,100	2,059,000
Commercial	21,179,700	20,757,500	20,757,500	20,518,000	21,607,500	21,607,500	21,607,500	21,384,100	21,384,100	21,384,100
Industrial	6,990,400	6,990,400	6,990,400	7,195,700	7,093,800	7,093,800	7,093,800	7,093,800	7,093,800	7,093,800
<b>Total assessed value</b>	<b>526,905,828</b>	<b>527,059,328</b>	<b>528,980,028</b>	<b>528,742,128</b>	<b>529,184,728</b>	<b>528,420,927</b>	<b>527,035,199</b>	<b>526,978,399</b>	<b>527,129,499</b>	<b>528,056,999</b>
Public utilities (a)	6,744,963	4,909,700	97	95	95	-	-	-	94	94
<b>Net valuation taxable</b>	<b>\$ 533,650,791</b>	<b>\$ 531,969,028</b>	<b>\$ 528,980,125</b>	<b>\$ 528,742,223</b>	<b>\$ 529,184,823</b>	<b>\$ 528,420,927</b>	<b>\$ 527,035,199</b>	<b>\$ 526,978,399</b>	<b>\$ 527,129,593</b>	<b>\$ 528,057,093</b>
Estimated actual county equalized value	\$ 554,160,996	\$ 559,565,542	\$ 559,565,542	\$ 554,383,796	\$ 562,254,223	\$ 562,821,678	\$ 568,377,301	\$ 590,902,924	\$ 612,300,607	\$ 671,999,355
Percentage of net valuation to estimated actual equalized value	96.30%	95.07%	94.53%	95.37%	94.12%	93.89%	92.73%	89.18%	86.09%	78.58%
<b>Total direct school tax rate (b)</b>	<b>\$ 1.382</b>	<b>\$ 1.409</b>	<b>\$ 1.400</b>	<b>\$ 1.400</b>	<b>\$ 1.399</b>	<b>\$ 1.428</b>	<b>\$ 1.485</b>	<b>\$ 1.485</b>	<b>\$ 1.486</b>	<b>\$ 1.511</b>

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.
- (b) Tax rates are per \$100.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2014	\$ 1.307	\$ 0.075	\$ 1.382	\$ 0.655	\$ 0.377	\$ 0.390	\$ 2.804
2015	1.332	0.077	1.409	0.711	0.387	0.392	2.899
2016	1.325	0.075	1.400	0.713	0.392	0.393	2.898
2017	1.331	0.069	1.400	0.674	0.372	0.388	2.834
2018	1.330	0.069	1.399	0.683	0.372	0.399	2.853
2019	1.358	0.070	1.428	0.695	0.403	0.400	2.926
2020	1.413	0.072	1.485	0.700	0.405	0.405	2.995
2021	1.416	0.069	1.485	0.710	0.404	0.422	3.021
2022	1.417	0.069	1.486	0.684	0.426	0.437	3.033
2023	1.440	0.071	1.511	0.693	0.452	0.480	3.136

Sources: Municipal Tax Collector

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

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

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

	2023			2014		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Transcontinental Gas	\$ 9,881,300	1	1.87%	\$ 9,759,400	1	1.83%
Columbia Gas Transmission Corp	4,917,500	2	0.93%	4,917,500	2	0.92%
Asbury Graphite Mills Inc	2,655,300	3	0.50%	2,450,000	3	0.46%
Valley View LLC	2,000,000	4	0.38%	2,000,000	4	0.37%
Individual Property Owner	1,328,600	5	0.25%	1,231,800	5	0.23%
Individual Property Owner	1,316,800	6	0.25%	1,013,600	7	0.19%
Individual Property Owner	1,231,800	7	0.23%	942,200	8	0.18%
Individual Property Owner	1,131,600	8	0.21%	905,400	10	0.17%
Individual Property Owner	966,000	9	0.18%	-		0.00%
Individual Property Owner	939,200	10	0.18%	-		0.00%
WRCC LLC	-		0.00%	1,075,000	6	0.20%
United Telephone Co of NJ	-		0.00%	910,190	9	0.17%
	<u>\$ 26,368,100</u>		<u>4.98%</u>	<u>\$ 25,205,090</u>		<u>4.72%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 7,330,755	\$ 7,330,755	100.00%
2015	7,297,859	7,297,859	100.00%
2016	7,438,722	7,438,722	100.00%
2017	7,402,647	7,402,647	100.00%
2018	7,402,209	7,402,209	100.00%
2019	7,403,097	7,403,097	100.00%
2020	7,542,599	7,542,599	100.00%
2021	7,825,819	7,825,819	100.00%
2022	7,827,219	7,827,219	100.00%
2023	7,831,919	7,831,919	100.00%

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

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases					
2014	\$ 4,845,000	\$ -	\$ -	\$ -	\$ -	\$ 4,845,000	1.63%	1,228
2015	4,645,000	-	-	-	-	4,645,000	1.50%	1,180
2016	4,185,000	-	-	-	-	4,185,000	1.32%	1,067
2017	3,965,000	-	-	-	-	3,965,000	1.22%	1,018
2018	3,740,000	-	-	-	-	3,740,000	1.13%	962
2019	3,510,000	-	-	-	-	3,510,000	1.03%	906
2020	3,275,000	-	-	-	-	3,275,000	0.92%	848
2021	3,035,000	-	-	-	-	3,035,000	0.83%	792
2022	2,785,000	-	-	-	-	2,785,000	0.74%	743
2023	2,520,000	-	-	-	-	2,520,000	N/A	670

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 4,845,000	\$ -	\$ 4,845,000	0.91%	\$ 1,228
2015	4,645,000	-	4,645,000	0.87%	1,180
2016	4,185,000	-	4,185,000	0.79%	1,067
2017	3,965,000	-	3,965,000	0.75%	1,018
2018	3,740,000	-	3,740,000	0.71%	962
2019	3,510,000	-	3,510,000	0.66%	906
2020	3,275,000	-	3,275,000	0.62%	848
2021	3,035,000	-	3,035,000	0.58%	792
2022	2,785,000	-	2,785,000	0.53%	743
2023	2,520,000	-	2,520,000	0.48%	670

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2022**

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	\$ 649,027	100.00%	\$ 649,027
Regional High School	6,960,000	7.183%	499,963
County general obligation debt	74,164,045	2.679%	1,987,065
Subtotal, overlapping debt			3,136,055
School district direct debt			2,520,000
Total direct and overlapping debt			\$ 5,656,055

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

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

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis	
	2022	\$ 670,818,909
	2021	612,124,984
	2020	589,854,727
		<u>\$ 1,872,798,620</u>
Average equalized valuation of taxable property		<u>\$ 624,266,207</u>
Debt limit (3.0% of average equalization value)		18,727,986
Total net debt applicable to limit		<u>2,520,000</u>
Legal debt margin		<u>\$ 16,207,986</u>

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 16,918,714	\$ 17,210,834	\$ 17,707,247	\$ 17,707,247	\$ 18,727,986
Total net debt applicable	3,510,000	3,275,000	3,035,000	2,785,000	2,520,000
Legal debt margin	<u>\$ 13,408,714</u>	<u>\$ 13,935,834</u>	<u>\$ 14,672,247</u>	<u>\$ 14,922,247</u>	<u>\$ 16,207,986</u>
Total net debt applicable to the limit as a percentage of debt limit	20.75%	19.03%	17.14%	15.73%	13.46%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 16,717,232	\$ 16,693,655	\$ 16,693,655	\$ 16,733,569	\$ 16,766,265
Total net debt applicable	4,845,000	4,645,000	4,185,000	3,965,000	3,740,000
Legal debt margin	<u>\$ 11,872,232</u>	<u>\$ 12,048,655</u>	<u>\$ 12,508,655</u>	<u>\$ 12,768,569</u>	<u>\$ 13,026,265</u>
Total net debt applicable to the limit as a percentage of debt limit	28.98%	27.82%	25.07%	23.69%	22.31%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	3,945	\$ 296,723,175	\$ 75,215	4.6%
2015	3,937	310,479,694	78,862	3.9%
2016	3,921	317,526,501	80,981	3.9%
2017	3,894	326,173,122	83,763	3.8%
2018	3,888	330,137,856	84,912	2.5%
2019	3,875	340,744,250	87,934	2.5%
2020	3,863	355,187,398	91,946	6.6%
2021	3,834	364,567,392	95,088	4.7%
2022	3,748	375,879,424	100,288	3.3%
2023	3,759	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**

2023

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<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

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<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT  
Full Time Equivalent District Employees by Function/Program  
Last Ten Fiscal Years**

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	39.0	37.0	38.0	36.2	37.0	30.0	30.0	30.0	29.0	26.0
Special education	15.0	16.0	13.0	14.0	15.0	13.0	13.0	13.0	13.5	13.5
Other instruction	8.0	8.0	7.0	6.3	3.0	2.0	2.0	2.0	2.0	1.0
Support services										
Student and instruction related services	5.0	6.0	7.0	7.0	7.0	5.0	7.8	7.8	7.8	8.9
General administration	6.0	6.0	6.0	5.5	5.5	4.0	4.0	4.0	4.0	2.0
School administration services	6.0	6.0	4.0	5.5	4.5	4.0	3.0	3.0	2.5	2.0
Other administration services	3.0	3.0	3.0	3.4	2.0	2.0	2.0	2.0	2.0	3.0
Plant operations and maintenance	1.0	1.0	1.0	6.5	6.5	6.5	5.5	5.5	6.0	6.0
Pupil transportation	1.0	-	-	-	-	-	-	-	-	-
Other support services	4.5	4.5	5.5	2.0	3.0	3.0	1.0	1.0	1.0	5.5
<b>Total</b>	<b>88.5</b>	<b>87.5</b>	<b>84.5</b>	<b>86.4</b>	<b>83.5</b>	<b>69.5</b>	<b>68.3</b>	<b>68.3</b>	<b>67.8</b>	<b>67.9</b>

Source: District Personnel Records

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b)	Teacher Ratio	Average Daily Enrollment (ADE) ( c)	Average Daily Attendance (ADA) ( c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	451	\$ 9,105,820	\$ 20,190	-0.79%	62	1 to 7.27	450.1	429.0	-1.75%	95.31%
2015	402	9,110,440	22,663	12.25%	61	1 to 6.59	401.8	395.5	-10.73%	98.43%
2016	388	9,389,264	24,199	6.78%	68	1 to 5.71	386.2	370.7	-3.88%	95.99%
2017	362	9,414,690	26,007	7.47%	56	1 to 6.46	357.7	354.2	-7.38%	99.02%
2018	370	9,825,152	26,554	2.10%	55	1 to 6.73	368.0	352.7	2.88%	95.84%
2019	351	10,178,508	28,999	9.21%	54	1 to 6.50	332.1	315.7	-9.76%	95.06%
2020	345	9,129,881	26,463	-8.75%	49	1 to 7.04	319.6	306.5	-3.76%	95.90%
2021	346	9,530,454	27,545	4.09%	49	1 to 7.06	336.2	325.7	5.19%	96.88%
2022	374	9,948,760	26,601	-3.43%	44	1 to 8.50	350.1	330.9	4.13%	94.52%
2023	359	9,958,780	27,740	4.28%	41	1 to 8.76	359.2	339.6	2.60%	94.54%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Thomas B. Conley Elementary School</u>										
Square feet	59,584	59,584	59,584	59,584	59,584	59,584	59,584	59,584	59,584	59,584
Capacity (students)	393	393	393	393	393	393	393	393	393	393
Enrollment	248	248	224	212	233	228	229	249	272	279
<u>Ethel Hoppock Middle School</u>										
Square feet	48,921	48,921	48,921	48,921	48,921	48,921	48,921	48,921	48,921	48,921
Capacity (students)	352	352	352	352	352	352	352	352	352	352
Enrollment	203	203	164	150	146	117	119	97	87	90
<u>Number of schools at June 30, 2023:</u>										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Required Maintenance Expenditures by School Facility**  
**Last Ten Fiscal Years**

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>School Facilities*</u>		<u>Total</u>
	<u>Elementary</u>	<u>Middle</u>	
2014	\$ 181,377	\$ 103,005	\$ 284,382
2015	312,535	85,100	397,635
2016	285,743	204,597	490,340
2017	201,378	156,331	357,709
2018	82,641	103,781	186,422
2019	93,620	69,480	163,100
2020	108,677	108,677	217,354
2021	168,116	91,950	260,066
2022	353,169	96,001	449,170
2023	378,945	83,967	462,912
Total school facilities	<u>\$ 2,166,201</u>	<u>\$ 1,102,889</u>	<u>\$ 3,269,090</u>

Source: District Records

\* School Facilities As Defined Under E.F.C.F.A.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2023**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools Insurance Group (NJSIG)		
Property - Building Blanket and Contents (Fund Limit)	Per Schedule	
Boiler/Machinery and Stated Equipment/Papers	\$ 100,000,000	\$ -
Comprehensive General Liability:		
Bodily Injury & Property Damage	6,000,000	-
Comprehensive General Liability:		
Bodily Injury & Property Damage	6,000,000	-
Uninsured Motorists - Private Auto	1,000,000	-
Uninsured Motorists - Other Vehicles:		
Bodily Injury per Person	15,000	-
Bodily Injury Per Accident	30,000	-
Property Damage per Accident	5,000	-
Personal Injury Protection	250,000	-
Medical Payments - Private Pass. Vehicles	10,000	-
All other Vehicles	5,000	-
Physical Damage (Comprehensive, Collision & Hired Car) (Scheduled Vehicles Only)	-	1,000
School Leaders Professional Liability - NJSIG		
Coverage A - Limit of Liability:		
Each Claim/annual member aggregate excess of	1,000,000	5,000
Each Claim/\$3,000,000 annual member aggregate	1,000,000	-
Coverage B - Limit of Liability:		
Each Claim	100,000	5,000
Each Period	300,000	5,000
Communicable Disease Outbreak Limit		
Each Claim	1,000,000	-
Annual NJSIG Aggregate	9,000,000	-
Worker's Compensation - NJSIG		
Statutory Benefits	Included	-
Employers Liability:		
Bodily Injury by Accident - Each Accident	3,000,000	-
Bodily Injury by Disease - Each Employee	3,000,000	-
Bodily Injury by Disease - Aggregate Limit	3,000,000	-

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule (continued)**  
**June 30, 2023**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Public Employees Faithful Performance Blanket Blanket Employee Limit	\$ 250,000	\$ 1,000
Position Bond - Hanover Insurance Company Board Secretary Bond	300,000	1,000
Cyber Insurance - Axis Insurance Company		
Policy Limit of Insurance	1,000,000	5,000
Claims - Made Liability Limit	1,000,000	5,000
First Party Coverages Limit	1,000,000	5,000

Source: District Records



**SINGLE AUDIT SECTION**

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART I**



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

Honorable President and  
Members of the Board of Education  
Bethlehem Township School District  
Asbury, 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, and the aggregate remaining fund information of the Bethlehem Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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 were not identified.

Report on Compliance and Other Matters

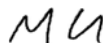
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**BKC, CPAs, PC**



Michael Holk, CPA, PSA  
NO. 20CS00265600

November 30, 2023  
Flemington, New Jersey



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the  
New Jersey OMB Circular 15-08**

Honorable President and  
Members of the Board of Education  
Bethlehem Township School District  
Asbury, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

In our opinion, the 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

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

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

### Responsibilities of Management for Compliance

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Report on Internal Control Over Compliance

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



**BKC, CPAs, PC**



Michael A. Holk, CPA,  
PSA NO. 20CS00265600

November 30, 2023  
Flemington, New Jersey

**SUPPLEMENTARY INFORMATION**



**BETHLEHEM TOWNSHIP SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2023**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/22	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
Special education cluster (IDEA)																	
IDEA Basic	84.027	H027A210100	IDEA-0370-22	\$ 92,522	07/01/20	06/30/21	\$ 8,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,928			
IDEA Basic	84.027	H027A220100	IDEA-0370-23	102,270	07/01/22	06/30/23	-	-	99,304	102,270	-	-	(2,966)	-			
IDEA Preschool	84.173	H173S220114	IDEA-0370-23	1,556	07/01/22	06/30/23	-	-	1,556	1,556	-	-	-	-			
Total special education cluster (IDEA)							8,928	-	100,860	103,826	-	-	(2,966)	8,928			
ESSA Title I A	84.010	S010A210030	ESSA-0370-22	6,076	07/01/20	06/30/21	(925)	-	925	-	-	-	-	-			
ESSA Title II A	84.367A	S367A210029	ESSA-0370-22	11,010	07/01/20	06/30/21	(199)	-	6,769	6,570	-	-	-	-			
ESSA Title II A	84.367A	S367A220029	ESSA-0370-23	9,334	07/01/22	06/30/23	-	-	4,183	4,241	-	-	(58)	-			
ESSA Title IV	84.424A	S424A210031	ESSA-0370-22	18,363	07/01/20	06/30/21	(488)	-	488	-	-	-	-	-			
ESSA Title IV	84.424A	S424A220031	ESSA-0370-23	9,513	07/01/22	06/30/23	-	-	-	9,513	-	-	(9,513)	-			
Small, Rural School Achievement Program	84.358	S358A220030	S358A232837	37,899	07/01/22	09/30/23	-	-	-	37,899	-	-	(37,899)	-			
CRRSA - ESSER II	84.425D	S425D210027	ESSER-0370-23	20,052	03/01/20	09/30/23	17,220	-	-	2,832	-	-	-	14,388			
CRRSA - Learning Acceleration	84.425D	S425D210027	ESSER-0370-23	25,000	03/01/20	09/30/23	-	-	4,230	20,936	-	-	(16,706)	-			
CRRSA - Mental Health	84.425D	S425D210027	ESSER-0370-23	45,000	03/01/20	09/30/23	2,799	-	-	5,100	-	-	(2,301)	-			
ARP Preschool	84.173X	H173X210114	ARP-0370-22	1,240	07/01/21	06/30/22	(963)	-	1,035	72	-	-	-	-			
ARP - ESSER																	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	ESSER-0370-24	50,000	03/01/20	09/30/24	-	-	5,705	5,705	-	-	-	-			
Evidenced Based Summer Learning	84.425U	S425U210027	ESSER-0370-24	40,000	03/01/20	09/30/24	-	-	-	3,241	-	-	(3,241)	-			
Evidenced Based Comprehensive Beyond the School Day	84.425U	S425U210027	ESSER-0370-24	40,000	03/01/20	09/30/24	-	-	10,577	12,292	-	-	(1,715)	-			
Total Special Revenue Fund							26,372	-	134,772	212,227	-	-	(74,399)	14,388			
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund																	
Child Nutrition Cluster																	
National School Lunch Program																	
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	7,810	10/01/21	09/30/22	969	-	-	969	-	-	-	-			
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	11,906	10/01/22	09/30/23	-	-	11,906	9,016	-	-	-	2,890			
Cash Assistance	10.555	221NJ304N1099	N/A	128,378	10/01/21	09/30/22	(5,105)	-	5,105	-	-	-	-	-			
Cash Assistance	10.555	231NJ304N1199	N/A	20,489	10/01/22	09/30/23	-	-	19,933	20,489	-	-	(556)	-			
Total Child Nutrition Cluster							(4,136)	-	36,944	30,474	-	-	(556)	2,890			
Supply Chain Assistance	10.555	231NJ304N1199	N/A	31,354	07/01/21	06/30/22	-	-	31,354	31,354	-	-	-	-			
Total Enterprise Fund							(4,136)	-	68,298	61,828	-	-	(556)	2,890			
Total Federal Awards							\$ 22,236	\$ -	\$ 203,070	\$ 274,055	\$ -	\$ -	\$ (74,955)	\$ 17,278			
														\$ 8,928			

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022					Balance June 30, 2023			Memo			
					From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received	Budgetary Expenditure	Adjustments	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education																
General Fund																
Special Education Categorical Aid	23-495-034-5120-089	\$ 303,137	07/01/22	06/30/23	\$ -	\$ -	\$ 273,703	\$ 303,137	\$ -	\$ -	\$ -	\$ -	\$ 29,434	\$ 303,137		
Security Aid	23-495-034-5120-084	37,641	07/01/22	06/30/23	-	-	33,986	37,641	-	-	-	-	3,655	37,641		
Transportation Aid	23-495-034-5120-014	113,737	07/01/22	06/30/23	-	-	102,694	113,737	-	-	-	-	11,043	113,737		
School Choice Aid	23-495-034-5120-068	77,250	07/01/22	06/30/23	-	-	69,750	77,250	-	-	-	-	7,500	77,250		
Equalization Aid	23-495-034-5120-078	256,534	07/01/22	06/30/23	-	-	231,625	256,534	-	-	-	-	24,909	256,534		
Stabilization Aid	23-495-034-5120-128	50,805	07/01/22	06/30/23	-	-	50,805	50,805	-	-	-	-	-	50,805		
Extraordinary Aid	22-495-034-5120-044	22,971	07/01/21	06/30/22	(22,971)	-	22,971	-	-	-	-	-	-	22,971		
Extraordinary Aid	23-495-034-5120-044	34,032	07/01/22	06/30/23	-	-	-	34,032	-	(34,032)	-	-	-	34,032		
Non-Public Transportation Aid	22-495-034-5120-014	1,740	07/01/21	06/30/22	(1,740)	-	1,740	-	-	-	-	-	-	1,740		
Non-Public Transportation Aid	23-495-034-5120-014	1,248	07/01/22	06/30/23	-	-	-	1,248	-	(1,248)	-	-	-	1,248		
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001	307,292	07/01/22	06/30/23	-	-	307,292	307,292	-	-	-	-	-	307,292		
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	16,007	07/01/22	06/30/23	-	-	16,007	16,007	-	-	-	-	-	16,007		
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	525	07/01/22	06/30/23	-	-	525	525	-	-	-	-	-	525		
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	1,153,749	07/01/22	06/30/23	-	-	1,153,749	1,153,749	-	-	-	-	-	1,153,749		
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	227,013	07/01/21	06/30/22	(21,982)	-	21,982	-	-	-	-	-	-	227,013		
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	246,005	07/01/22	06/30/23	-	-	207,720	246,005	-	(38,285)	-	-	-	246,005		
<b>Total General Fund</b>					<b>(46,693)</b>	<b>-</b>	<b>2,494,549</b>	<b>2,597,962</b>	<b>-</b>	<b>(73,565)</b>	<b>-</b>	<b>-</b>	<b>76,541</b>	<b>2,849,686</b>		
State Department of Education																
Special Revenue Fund																
School Climate	23-WB01-G02	6,660	07/01/22	06/30/23	-	-	3,715	3,715	-	-	-	-	-	6,660		
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	8,082	07/01/22	06/30/23	-	-	8,082	8,082	-	-	-	-	-	8,082		
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	7,810	07/01/21	06/30/22	1,350	-	-	-	-	1,350	-	-	-	7,810		
<b>Total Special Revenue Fund</b>					<b>1,350</b>	<b>-</b>	<b>11,797</b>	<b>11,797</b>	<b>-</b>	<b>-</b>	<b>1,350</b>	<b>-</b>	<b>-</b>	<b>22,552</b>		
State Department of Agriculture																
Enterprise Fund																
State School Lunch Program	22-100-010-3350-023	2,993	07/01/21	06/30/22	(118)	-	118	-	-	-	-	-	-	2,993		
State School Lunch Program	23-100-010-3350-023	1,231	07/01/22	06/30/23	-	-	1,196	1,231	-	(35)	-	-	-	1,231		
<b>Total Enterprise Fund</b>					<b>(118)</b>	<b>-</b>	<b>1,314</b>	<b>1,231</b>	<b>-</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,224</b>		

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B (continued)**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022			Budgetary Expenditure	Adjustments	Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					\$ (45,461)	\$ -	\$ 2,507,661	\$ 2,610,990	\$ -	\$ (73,599)	\$ 1,350	\$ -	\$ 76,541	\$ 2,876,462
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							1,153,749						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							16,007						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							307,292						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							525						
Total for State Financial Assistance - Major Program Determination								<u>\$ 1,133,417</u>						

See independent auditors' report.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2023**

Note 1 - General

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 Bethlehem Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance 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 Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$18,782 for the general fund and (\$44,388) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2023**

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 2,616,744	\$ 2,616,744
Special revenue fund	173,176	6,460	179,636
Food service fund	61,829	1,231	63,060
Total awards and financial assistance	\$ 235,005	\$ 2,624,435	\$ 2,859,440

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2023.

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART II**

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?  Yes  No
2. Were significant deficiencies identified?  Yes  None reported

Noncompliance material to basic financial statements noted?  Yes  No

Federal Awards Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified?  Yes  No
2. Were significant deficiencies identified?  Yes  None reported

What was the type of auditor's report issued on compliance for major programs? \_\_\_\_\_

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?  Yes  No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs? \_\_\_\_\_

Did the auditee qualify as a low-risk auditee?  Yes  No

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

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

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee?  Yes  No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified?  Yes  No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?  Yes  No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<u>23-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>23-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>23-495-034-5120-084</u>	<u>Security Aid</u>
<u>23-495-034-5120-068</u>	<u>School Choice Aid</u>
<u>23-495-034-5120-128</u>	<u>Stabilization Aid</u>



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

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2023.

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

Federal Awards

There were no findings or questioned costs for the year ended June 30, 2023.

State Awards

There were no findings or questioned costs for the year ended June 30, 2023.

**BETHLEHEM TOWNSHIP SCHOOL DISTRICT  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2023**

Status of Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.