

SCHOOL DISTRICT
OF
BEVERLY CITY
OF BURLINGTON COUNTY

Beverly City School District
Beverly, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Beverly City School District
of Burlington County

Beverly, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Beverly City Board of Education
Finance Department

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INTRODUCTORY SECTION



October 25, 2023

Honorable President and Members
Beverly City Board of Education
County of Burlington, New Jersey

Dear Board Members and Citizens:

The comprehensive annual financial report of the Beverly City Board of Education 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 Beverly City 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 disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditors report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and the NJOMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Beverly City School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K-8.

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through Grade 8) completed the 2023 fiscal year with an enrollment of 339 students.

The following details the changes in the Pre-K-8 student enrollment over the last ten years:

Enrollment, Pre-K-8

<u>Fiscal Year</u>	<u>Student Enrollment Change</u>	<u>Percent</u>
2022-23	339	1.5%
2021-22	334	3.1%
2020-21	324	2.1%
2019-20	317	0.0%
2018-19	304	4.8%
2017-18	305	3.4%
2016-17	295	1.4%
2015-16	291	(0.3%)
2014-15	295	0.0%
2013-14	295	0.0%

2. ECONOMIC CONDITIONS AND OUTLOOK: The Beverly City area is not experiencing much growth or expansion due to the limited space available for development. The general area surrounding the district provides most of the opportunities for employment for residents. Some new small businesses have opened in Beverly through the restoration of vacant properties. There is some speculation about re-development to the downtown area.

3. MAJOR INITIATIVES: The District engaged in the following initiatives during the 2022-2023 school year:

Technology Improvements - Hardware & Software
Curriculum Development
Community Outreach Program
Summer Student Services

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

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

As a recipient of federal and state financial assistance, the District is also responsible for ensuring 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 by the District auditor to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Readers should refer to the Management's Discussion and Analysis for a summary of the financial statements in relation to the prior year.

8. DEBT ADMINISTRATION: On January 22, 2015, \$1,031,000 of School Bonds was issued for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. The balance of the outstanding debt at June 30, 2023 was \$545,000.

9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 6. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

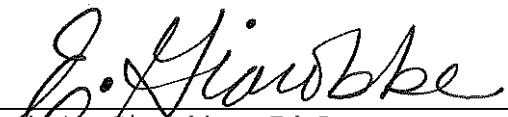
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program are done in order to evaluate potential insurance changes.

11. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Jump, Perry & Company, LLP, was selected

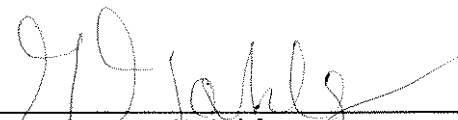
by the Board to provide this service. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements and combined and individual fund statements and schedules is included in the financial section of this report. The auditor's reports specifically related to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Beverly City Board of Education for their continued concern in providing fiscal accountability to the taxpayers and citizens of the District, thereby contributing their full support to the development and maintenance of the District's financial operation.


Respectfully submitted,



Elizabeth Giacobbe, Ed.D.
Superintendent of Schools/Principal



Mr. George M. Gahles
School Business Administrator



Brian F. Savage, Ed.D.
Staff Accountant/Board Secretary

Beverly City School District
Beverly, New Jersey

Organization Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

Office Technology Coordinator Staff / Medical Staff / Child Study Team / Board Secretary /
Business Administrator

Custodian

Food Service

Transportation

Teaching Staff

Physical Education / Art / Music / Spanish / Compensatory Education / Librarian / Pre K-8 Classroom
Teachers

Pupils

Beverly City School District
Beverly, New Jersey

Roster of Officials
June 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Wolbert, President	2024
Susan Roth	2023
Barbara Kelly	2023
Bob Thibault	2025
Ariel Pina	2025

OTHER OFFICIALS

Elizabeth Giacobbe, Superintendent of Schools
George M. Gahles, School Business Administrator
Brian F. Savage, Ed.D., Staff Accountant/Board Secretary
Pablo Canela, Treasurer of School Monies

Beverly City School District

Consultants and Advisors

AUDIT FIRM

Jump, Perry and Company, L.L.P.
Kathryn Perry, CPA
12 Lexington Avenue
Toms River, New Jersey 08753

ATTORNEY

David Rubin, P.C.
44 Bridge Street
Metuchen, New Jersey 08840

BOND COUNSEL

Decotiis, Fitz Patrick & Cole LLP
500 Frank W. Burr Blvd.
Teaneck, New Jersey 07666

OFFICIAL DEPOSITORIES

WSFS Bank
500 Delaware Avenue
Wilmington, DE 19801

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Beverly City School District:
County of Burlington
Beverly, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements 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 Beverly City School District in the County of Burlington, State of New Jersey as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Beverly City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Beverly City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Beverly City School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023 on our consideration of Beverly City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Beverly City School District 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 Beverly City School District's internal control over financial reporting and compliance.

Respectfully Submitted,

Jump, Perry and Company L.L.P.
Toms River, New Jersey


Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
October 25, 2023

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The discussion and analysis of Beverly City School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School Board'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 Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2023 are as follows:

Net position totaled \$6,269,989, which represents a 17.50 percent increase from June 30, 2022.

General revenues accounted for \$8,638,218 in revenue or 72.06 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,348,611 or 27.94 percent of total revenues of \$11,986,829.

Total assets increased by \$749,991 as current assets increased by \$253,915 and capital assets, net decreased by \$496,076.

The School Board had \$11,052,931 in expenses; only \$3,348,611 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,638,218 were adequate to provide for these programs.

Among major funds, the General Fund had \$9,544,088 in revenues and \$10,012,952 in expenditures and transfers. The General Fund's balance decreased \$468,864 over June 30, 2022. The General Fund's balance is \$3,042,122.

Using this Annual Comprehensive Financial Report (ACFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Beverly City 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 School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government 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 Board's most significant funds with all other non-major funds presented in total in one column. In the case of Beverly City School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2023 and 2022.

Table 1

Net Position as of June 30, 2023 and June 30, 2022

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 3,807,071	\$ 229,096	\$ 4,036,167	\$ 3,539,306	\$ 242,946	\$ 3,782,252
Capital assets, net	<u>4,010,564</u>	<u>3,913</u>	<u>4,014,477</u>	<u>3,513,403</u>	<u>4,998</u>	<u>3,518,401</u>
Total assets	7,817,635	233,009	8,050,644	7,052,709	247,944	7,300,653
Deferred outflow of resources	<u>437,902</u>	<u>-</u>	<u>437,902</u>	<u>453,503</u>	<u>-</u>	<u>453,503</u>
Liabilities:						
Current liabilities	34,067	131,605	165,672	30,820	141,206	172,026
Long-term liabilities outstanding	<u>1,864,900</u>	<u>-</u>	<u>1,864,900</u>	<u>1,673,120</u>	<u>-</u>	<u>1,673,120</u>
Total liabilities	1,898,967	131,605	2,030,572	1,703,940	141,206	1,845,146
Deferred inflow of resources	<u>187,985</u>	<u>-</u>	<u>187,985</u>	<u>572,919</u>	<u>-</u>	<u>572,919</u>
Net position:						
Net investment in capital assets	3,465,564	3,913	3,469,477	2,898,403	4,998	2,903,401
Restricted	3,787,014	-	3,787,014	3,347,244	-	3,347,244
Unrestricted	<u>(1,083,993)</u>	<u>97,491</u>	<u>(986,502)</u>	<u>(1,016,294)</u>	<u>101,740</u>	<u>(914,554)</u>
Total Net Position	<u>\$ 6,168,585</u>	<u>\$ 101,404</u>	<u>\$ 6,269,989</u>	<u>\$ 5,229,353</u>	<u>\$ 106,738</u>	<u>\$ 5,336,091</u>

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$6,269,989 on June 30, 2023. This is a change of 17.50% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2023 and 2022.

Table 2

Changes in Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 4,085	\$ 1,935	\$ 6,020	\$ 8,052	\$ 2,353	\$ 10,405
Operating and capital grants and contributions	3,049,409	293,182	3,342,591	2,648,052	324,208	2,972,260
General revenues:						
Property taxes	3,185,905	-	3,185,905	3,221,696	-	3,221,696
Federal and state aid	5,293,198	-	5,293,198	4,517,666	-	4,517,666
Investment earnings	28,711	-	28,711	3,200	-	3,200
Miscellaneous	130,404	-	130,404	92,107	-	92,107
Total revenues	11,691,712	295,117	11,986,829	10,490,773	326,561	10,817,334
Expenses						
Instructional services	3,183,036	-	3,183,036	2,948,048	-	2,948,048
Support services	7,553,846	300,451	7,854,297	6,275,059	300,024	6,575,083
Interest on long-term liabilities	15,598	-	15,598	14,462	-	14,462
Total expenses	10,752,480	300,451	11,052,931	9,237,569	300,024	9,537,593
Change in net position	939,232	(5,334)	933,898	1,253,204	26,537	1,279,741
Net position - beginning	5,229,353	106,738	5,336,091	3,976,149	80,201	4,056,350
Prior period adjustment	-	-	-	-	-	-
Net position - beginning Restated	5,229,353	106,738	5,336,091	3,976,149	80,201	4,056,350
Net position (deficit) - ending	\$ 6,168,585	\$ 101,404	\$ 6,269,989	\$ 5,229,353	\$ 106,738	\$ 5,336,091

The tax levy increase was due in general to cover increased costs in salaries and benefits, utilities and the debt service. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2023

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements for meals.

Total Enterprise Fund expenses exceeded revenues by \$5,334.

Charges for services represent \$1,935 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$293,182.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

	<u>2023</u>		<u>2022</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 3,183,036	\$ 2,318,017	\$ 2,948,048	\$ 2,258,420
Support Services:				
Pupils and Instructional Staff	6,215,748	4,027,273	5,259,615	3,293,139
General Administration, School Administration, Business Operation and Maintenance of Facilities	996,161	996,161	654,405	654,405
Pupil Transportation	341,937	341,937	361,039	361,039
Interest and Fiscal Charges	<u>15,598</u>	<u>15,598</u>	<u>14,462</u>	<u>14,462</u>
Total Expenses	<u>\$ 10,752,480</u>	<u>\$ 7,698,986</u>	<u>\$ 9,237,569</u>	<u>\$ 6,581,465</u>

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

Governmental Activities (cont'd)

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 90% of the student population participates in extracurricular activities.

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

General administration, school administration and 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, to school curricular and athletic activities and field trips as provided by state law.

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined fund balance of \$3,783,699, which is an increase of \$263,222. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2023.

<u>Revenue</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 3,349,105	28.65 %	\$ 24,050	0.72 %
State Sources	6,994,522	59.82	1,299,304	22.81
Federal Sources	<u>1,348,085</u>	<u>11.53</u>	<u>(122,415)</u>	<u>(8.32)</u>
Total	<u>\$ 11,691,712</u>	<u>100.00 %</u>	<u>\$ 1,200,939</u>	<u>11.45 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2023.

<u>Expenditures</u>	<u>2023 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 3,183,036	27.86 %	\$ 234,988	7.97 %
Undistributed Expenditures	7,508,233	65.70	1,214,108	19.29
Capital Outlay	650,327	5.69	(265,973)	(29.03)
Debt Service:				
Principal	70,000	0.61	5,000	7.69
Interest	<u>16,894</u>	<u>0.14</u>	<u>(1,300)</u>	<u>(7.15)</u>
Total	\$ <u>11,428,490</u>	<u>100.00 %</u>	\$ <u>1,186,823</u>	<u>11.59 %</u>

General Fund Budgeting Highlights

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

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

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$1,219,467 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$382,944 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance for General Fund items are as follows:

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 194,869
Capital Reserve	2,187,957
Maintenance Reserve	218,981
Tuition Reserve	331,000
Excess Surplus - Current Year	<u>112,630</u>
Total Restricted Fund Balance	\$ <u>3,045,437</u>

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. The district also joined a co-op for energy consumption, which was done after the budget was struck. Through efforts made in finding jointures with other local districts, and increasing students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2022-2023 fiscal year and will be used to reduce the local tax levy for the 2024-2025 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2023, the School Board had \$4,014,477 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2023 and June 30, 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Construction in Progress	67,142	901,494	-	-	67,142	901,494
Building and Improvements	3,798,648	2,495,370	-	-	3,798,648	2,495,370
Machinery and Equipment	144,774	116,539	3,913	4,998	148,687	121,537
Total	<u>\$ 4,010,564</u>	<u>\$ 3,513,403</u>	<u>\$ 3,913</u>	<u>\$ 4,998</u>	<u>\$ 4,014,477</u>	<u>\$ 3,518,401</u>

During the current fiscal year, \$1,425,537 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities:

	June 30, 2023	June 30, 2022
Bonds Payable (net)	\$ 545,000	\$ 615,000
Pension Liability-PERS	1,176,939	896,755
Compensated Absences payable	<u>142,961</u>	<u>161,365</u>
Total long-term liabilities	<u>\$ 1,864,900</u>	<u>\$ 1,673,120</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2022-2023 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 71.35% of the School Board's revenue is from federal and state (restricted and not restricted), while 28.65% of total revenue is from local sources.

The \$(1,083,993) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2022-2023 budget was adopted in March 2022 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the City of Beverly for increased aid.

The School Board anticipates a slight increase in enrollment for the 2023-2024 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Beverly City School District, 601 Bentley Avenue, Beverly, NJ, 08010.

BASIC FINANCIAL STATEMENTS

BEVERLY CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,358,958	\$ 214,835	\$ 3,573,793
Receivables - state	213,083	-	213,083
Receivables - federal	105,880	-	105,880
Receivables - other	-	-	-
Interfund receivable	129,150	-	129,150
Inventories	-	14,261	14,261
Capital assets, non-depreciable	67,142	-	67,142
Capital assets, depreciable, net	3,943,422	3,913	3,947,335
Total assets	<u>7,817,635</u>	<u>233,009</u>	<u>8,050,644</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	437,902	-	437,902
	<u>437,902</u>	<u>-</u>	<u>437,902</u>
LIABILITIES			
Interfund payable	-	129,150	129,150
Other liabilities	34,067	850	34,917
Unearned revenue	-	-	-
Payable to state government	-	1,605	1,605
Noncurrent liabilities:			
Due within one year	70,000	-	70,000
Due beyond one year	1,794,900	-	1,794,900
Total liabilities	<u>1,898,967</u>	<u>131,605</u>	<u>2,030,572</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	187,985	-	187,985
	<u>187,985</u>	<u>-</u>	<u>187,985</u>
NET POSITION			
Net investment in capital assets	3,465,564	3,913	3,469,477
Restricted for:			
Capital projects	2,920,815	-	2,920,815
Debt service	-	-	-
Other purposes	866,199	-	866,199
Unrestricted	(1,083,993)	97,491	(986,502)
Total net position	<u>\$ 6,168,585</u>	<u>\$ 101,404</u>	<u>\$ 6,269,989</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 2,670,319		\$ 865,019	\$ -	\$ (1,805,300)	\$ -	\$ (1,805,300)
Special education instruction	362,940	-	-	-	(362,940)	-	(362,940)
Other special instruction	149,777	-	-	-	(149,777)	-	(149,777)
Support services and undistributed costs:							
Instruction	3,166,847	-	-	-	(3,166,847)	-	(3,166,847)
Attendance and social work	44,403	-	-	-	(44,403)	-	(44,403)
Health services	148,892	-	-	-	(148,892)	-	(148,892)
Other support services	1,365,774	4,085	714,232	-	(647,457)	-	(647,457)
Educational media services	-	-	-	-	-	-	-
Instruction staff training	19,674	-	-	-	(19,674)	-	(19,674)
General administrative services	229,226	-	-	-	(229,226)	-	(229,226)
School administrative services	27,458	-	-	-	(27,458)	-	(27,458)
Central services	122,344	-	-	-	(122,344)	-	(122,344)
Admin. information technology	24,619	-	-	-	(24,619)	-	(24,619)
Allowed maintenance for school facilities	97,168	-	-	-	(97,168)	-	(97,168)
Other operation & maintenance of plant	634,566	-	-	-	(634,566)	-	(634,566)
Student transportation services	341,937	-	-	-	(341,937)	-	(341,937)
Unallocated employee benefits	(139,220)	-	-	-	139,220	-	139,220
Non-budgeted expenses	1,470,158	-	1,470,158	-	-	-	-
Interest expense	15,598	-	-	-	(15,598)	-	(15,598)
Total governmental activities	10,752,480	4,085	3,049,409	-	(7,698,986)	-	(7,698,986)
Business-type activities:							
Enterprise fund	300,451	1,935	293,182	-	-	(5,334)	(5,334)
Total business-type activities	300,451	1,935	293,182	-	-	(5,334)	(5,334)
Total primary government	\$ 11,052,931	\$ 6,020	\$ 3,342,591	\$ -	\$ (7,698,986)	\$ (5,334)	\$ (7,704,320)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 3,099,011	\$ -	\$ 3,099,011
Taxes levied for debt service					86,894	-	86,894
Federal and state aid not restricted					5,293,198	-	5,293,198
Miscellaneous income					130,404	-	130,404
Investment earnings					28,711	-	28,711
Total general revenues					8,638,218	-	8,638,218
Change in net position					939,232	(5,334)	933,898
Net position—July 1					5,229,353	106,738	5,336,091
Net position—ending					\$ 6,168,585	\$ 101,404	\$ 6,269,989

BEVERLY CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,662,779	\$ (103,821)	\$ 800,000	\$ -	\$ 3,358,958
Interfund receivable	196,292	-	-	-	196,292
Receivables from federal	-	105,880	-	-	105,880
Receivables from State	206,423	6,660	-	-	213,083
Other receivables	-	-	-	-	-
Total assets	<u>3,065,494</u>	<u>8,719</u>	<u>800,000</u>	<u>-</u>	<u>3,874,213</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Interfund payable	-	-	67,142	-	67,142
Payroll deductions and withholdings payable	23,372	-	-	-	23,372
Payable to federal government	-	-	-	-	-
Payable to state government	-	-	-	-	-
Total liabilities	<u>23,372</u>	<u>-</u>	<u>67,142</u>	<u>-</u>	<u>90,514</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	112,630	-	-	-	112,630
Excess surplus - prior year- designated for					
Subsequent year's expenditures	194,869	-	-	-	194,869
Capital reserve account	2,187,957	-	-	-	2,187,957
Maintenance reserve account	218,981	-	-	-	218,981
Tuition reserve account	331,000	-	-	-	331,000
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	732,858	-	732,858
Student Activities		8,719			8,719
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent					
year's expenditures	178,859	-	-	-	178,859
Unassigned:					
General fund	(182,174)	-	-	-	(182,174)
Total fund balances	<u>3,042,122</u>	<u>8,719</u>	<u>732,858</u>	<u>-</u>	<u>3,783,699</u>
Total liabilities and fund balances	<u>\$ 3,065,494</u>	<u>\$ 8,719</u>	<u>\$ 800,000</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net position(A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,010,564
Deferred outflows related to the PERS pension plan	437,902
Deferred inflows related to the PERS pension plan	(187,985)
Bond premium received upon issuance of debt.	(5,530)
Accrued interest for the interest due this year but not paid until next year.	(5,165)
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	<u>(1,864,900)</u>
Net position of governmental activities	<u>\$ 6,168,585</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 3,099,011	\$ -	\$ -	\$ 86,894	\$ 3,185,905
Tuition charges	-	-	-	-	-
Interest on investments	9,207	-	-	-	9,207
Interest earned on capital reserve funds	17,983	-	-	-	17,983
Interest earned on maintenance reserve funds	1,521	-	-	-	1,521
Miscellaneous	130,404	4,085	-	-	134,489
Total - local sources	3,258,126	4,085	-	86,894	3,349,105
State sources	6,239,443	755,079	-	-	6,994,522
Federal sources	46,519	1,301,566	-	-	1,348,085
Total revenues	9,544,088	2,060,730	-	86,894	11,691,712
EXPENDITURES					
Current:					
Regular instruction	1,805,300	865,019	-	-	2,670,319
Special education instruction	362,940	-	-	-	362,940
Other special instruction	135,421	-	-	-	135,421
School sponsored/other instructional	14,356	-	-	-	14,356
Undistributed - current:					
Instruction	3,166,847	-	-	-	3,166,847
Attendance and social work services	44,403	-	-	-	44,403
Health services	148,892	-	-	-	148,892
Other support services	646,685	719,089	-	-	1,365,774
Educational media services	-	-	-	-	-
Instruction staff training	19,674	-	-	-	19,674
General administrative services	229,226	-	-	-	229,226
School administrative services	27,458	-	-	-	27,458
Central services	122,344	-	-	-	122,344
Admin. info. technology	24,619	-	-	-	24,619
Allowed maintenance for school facilities	97,168	-	-	-	97,168
Other operation & maintenance of plant	481,400	-	-	-	481,400
Student transportation services	341,937	-	-	-	341,937
Unallocated employee benefits	(31,667)	-	-	-	(31,667)
Non-budgeted expenditures	1,470,158	-	-	-	1,470,158
Debt service:					
Principal	-	-	-	70,000	70,000
Interest and other charges	-	-	-	16,894	16,894
Capital outlay	105,791	477,394	67,142	-	650,327
Total expenditures	9,212,952	2,061,502	67,142	86,894	11,428,490
Excess (deficiency) of revenues over expenditures	331,136	(772)	(67,142)	-	263,222
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-
Transfer to Special Revenue Fund - ECPA	-	-	-	-	-
Transfers in	-	-	800,000	-	800,000
Transfers out	(800,000)	-	-	-	(800,000)
Total other financing sources and uses	(800,000)	-	800,000	-	-
Net change in fund balances	(468,864)	(772)	732,858	-	263,222
Fund balance—July 1	3,510,986	9,491	-	-	3,520,477
Fund balance—June 30	\$ 3,042,122	\$ 8,719	\$ 732,858	\$ -	\$ 3,783,699

BEVERLY CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2)	\$	263,222
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	(94,024)
	Capital outlays	<u>591,185</u>
		497,161
In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		
		89,149
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		70,000
Payment of a long-term liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		830
In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. This year, sick leave was increased.		
		<u>18,870</u>
Change in net position of governmental activities	\$	939,232

BEVERLY CITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Food Service</u>	<u>Total</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 214,835	\$ 214,835
Investments	-	-
Interfund receivable	-	-
Receivable from state	-	-
Receivable from federal	-	-
Inventories	14,261	14,261
Total current assets	<u>229,096</u>	<u>229,096</u>
Noncurrent assets:		
Furniture, machinery and equipment	73,226	73,226
Less accumulated depreciation	<u>(69,313)</u>	<u>(69,313)</u>
Total noncurrent assets	<u>3,913</u>	<u>3,913</u>
Total assets	<u><u>233,009</u></u>	<u><u>233,009</u></u>
LIABILITIES		
Current liabilities:		
Deferred revenue	850	850
Interfund payable	129,150	129,150
Due to Federal Gov.	<u>1,605</u>	<u>1,605</u>
Total current liabilities	<u>131,605</u>	<u>131,605</u>
NET POSITION		
Investment in capital assets	3,913	3,913
Unrestricted	<u>97,491</u>	<u>97,491</u>
Total net position	<u>101,404</u>	<u>101,404</u>
Total liabilities and net position	<u><u>\$ 233,009</u></u>	<u><u>\$ 233,009</u></u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Food Service</u>	<u>Total</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ -	\$ -
Daily sales - non-reimbursable programs	1,935	1,935
Total operating revenues	<u>1,935</u>	<u>1,935</u>
Operating expenses:		
Cost of sales - reimbursement programs	147,942	147,942
Cost of sales - non-reimbursement programs	-	-
Salaries	86,851	86,851
Employee benefits	16,356	16,356
Purchased property service	21,441	21,441
Management fee	20,862	20,862
General supplies	5,914	5,914
Depreciation	1,085	1,085
Total Operating Expenses	<u>300,451</u>	<u>300,451</u>
Operating income (loss)	<u>(298,516)</u>	<u>(298,516)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	3,053	3,053
Federal sources:		
National school lunch program	143,622	143,622
National school breakfast program	67,804	67,804
Summer Food Service Program For Children	-	-
Supply Chain Assistance	31,137	31,137
Emergency Operational Cost Program - Schools	-	-
Food distribution program	47,566	47,566
Total nonoperating revenues (expenses)	<u>293,182</u>	<u>293,182</u>
Change in net position	<u>(5,334)</u>	<u>(5,334)</u>
Total net position—beginning	106,738	106,738
Total net position—ending	<u>\$ 101,404</u>	<u>\$ 101,404</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Food Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,951	\$ 1,951
Payments to employees	(86,851)	(86,851)
Payments for employee benefits	(16,356)	(16,356)
Payments to suppliers	(137,931)	(137,931)
Net cash provided by (used in) operating activities	(239,187)	(239,187)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	3,053	3,053
Federal sources	240,951	240,951
Interest income	-	-
Net cash provided by (used in) non-capital financing activities	244,004	244,004
 Net increase (decrease) in cash and cash equivalents	 4,817	 4,817
Balances—beginning of year	210,018	210,018
Balances—end of year	<u>\$ 214,835</u>	<u>\$ 214,835</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (298,516)	\$ (298,516)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,085	1,085
Federal commodities	47,566	47,566
(Increase) decrease in interfund receivable, net	-	-
(Increase) decrease in accounts receivable, net	-	-
(Increase) decrease in inventories	(560)	(560)
(Increase) decrease in other current assets	-	-
Increase (decrease) in Unearned Revenues	16	16
Increase (decrease) in interfund payable	11,222	11,222
Total adjustments	59,329	59,329
Net cash provided by (used in) operating activities	<u>\$ (239,187)</u>	<u>\$ (239,187)</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Beverly City School District is a Type II district located in the county of Burlington, 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 staggered terms. The purpose of the District is to educate students in grades PreK-8. The Beverly City School District had an approximate enrollment of 339 students at June 30, 2023.

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

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 the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary/junior high school located in Beverly. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

B. Basis of Presentation (cont'd):

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, including its fiduciary funds. Separate statements for each Fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education ("NJDOE") has elected to require New Jersey districts to treat each governmental fund as a major fund. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following governmental funds:

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

As required by the NJDOE, 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 Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

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.

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.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation (Cont'd):

The District reports the following proprietary funds:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

The District's Enterprise Fund is comprised of the Food Service Fund and School Age Childcare.

Depreciation of all capital 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	5-20 Years
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Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are used to account for assets held by the District on behalf of others if applicable.

C. Basis of Accounting

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

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

C. Basis of Accounting (Cont'd)

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

1. Summary of Significant Accounting Policies (Cont'd)

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

D. Property Taxes

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

E. 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 are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue Fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C 6A:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

E. Budgets/Budgetary Control (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the 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.

F. 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.

G. Cash, Cash Equivalents and Investments

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

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:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

G. Cash, Cash Equivalents and Investments (Cont'd)

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 savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Interfund Transactions

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

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

I. Inventories

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

K. Capital Assets

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	7-60 years
Machinery and Equipment	3-20 years
Infrastructure	30 years

L. Compensated Absences

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board. 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 the employee is accrued as the 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. Upon termination, employees are paid for accrued vacation. 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 District's agreements with the various employee unions.

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

M. Unearned Revenue

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

N. Accrued Liabilities and Long-Term Obligations

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

O. Net Position

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

P. Fund Balance Reserves

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. **Unassigned** - includes all spendable amounts not contained in the other classifications

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

Q. Revenues - Exchange and Nonexchange Transactions

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

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

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

R. Operating Revenues and Expenses

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

S. Allocation of Indirect Expenses

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Cont'd)

T. Extraordinary and Special Items

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

U. Management Estimates

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

V. Change in Accounting Principles

On June 30, 2023, the District implemented the Governmental Accounting Standards Boards Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. These changes were reviewed for the District's June 30, 2023 financial statements and had no effect on the beginning net position of the District. The District did not have any subscriptions that rose to an amount that required disclosure. The District will review new subscriptions annually to determine proper disclosure.

W. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 100, *Accounting Changes and Error Corrections - An Amendment GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decision or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

2. Capital Reserve Account

A Capital Reserve Account was established by the Beverly City School District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by Board Resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the July 01, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance July 01, 2022	\$ 2,569,974
Add: Increase per Resolution	400,000
Interest Earned	17,983
Less: Withdrawals	<u>(800,000)</u>
Ending balance, June 30, 2023	<u>\$ 2,187,957</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

3. Maintenance Reserve Account

A maintenance Reserve Account was established by the Beverly City School District for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The District may also appropriate additional amounts during the school year through a Board Resolution. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2023.

The activity of the Maintenance Reserve for the July 01, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 01, 2022	\$	217,460
Add: Increase per Resolution		-
Interest Earned		1,521
Less: Withdrawals		-
Ending balance, June 30, 2023	\$	<u>218,981</u>

4. Tuition Reserve Account

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

The activity of the Tuition Reserve for the July 01, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 01, 2022	\$	331,000
Add: Increase per Resolution		140,000
Less: Withdrawal		(140,000)
Ending balance, June 30, 2023	\$	<u>331,000</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

5. Transfers to Capital Outlay

During the year ending June 30, 2023, the District did not transfer funds to the Capital Outlay Account.

6. Cash, Cash Equivalents and Investments

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District's bank balance of \$4,189,485 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 4,112,970
Uninsured and Uncollateralized	<u>76,515</u>
	<u>\$ 4,189,485</u>

7. Receivables

Receivables at June 30, 2023, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial Statements	District-Wide Financial Statements
State Aid	213,083	213,083
Federal Aid	105,880	105,880
Interfunds	<u>196,292</u>	<u>129,150</u>
	515,255	448,113
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 515,255</u>	<u>\$ 448,113</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

8. Capital Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Construction in Progress	\$ <u>901,494</u>	\$ <u>67,142</u>	\$ <u>(901,494)</u>	\$ <u>67,142</u>
Total Capital Assets Not Being Depreciated	<u>901,494</u>	<u>67,142</u>	<u>(901,494)</u>	<u>67,142</u>
Capital Assets Being Depreciated				
Site Improvements	\$ 84,750	-	-	\$ 84,750
Building and Building Improvements	3,780,455	1,378,888	-	5,159,343
Machinery and Equipment	<u>490,566</u>	<u>46,649</u>	<u>-</u>	<u>537,215</u>
Totals at Historical Cost	<u>4,355,771</u>	<u>1,425,537</u>	<u>-</u>	<u>5,781,308</u>
Less Accumulated Depreciation for:				
Site Improvements	(84,750)	-	-	(84,750)
Building and Building Improvements	(1,285,085)	(75,610)	-	(1,360,695)
Machinery and Equipment	<u>(374,027)</u>	<u>(18,414)</u>	<u>-</u>	<u>(392,441)</u>
Total Accumulated Depreciation	<u>(1,743,862)</u>	<u>(94,024)</u>	<u>-</u>	<u>(1,837,886)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,611,909</u>	<u>1,331,513</u>	<u>-</u>	<u>3,943,422</u>
Government Activity Capital Assets, Net	<u>\$ 3,513,403</u>	<u>\$ 1,398,655</u>	<u>\$ (901,494)</u>	<u>\$ 4,010,564</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ -	\$ -	\$ -	\$ -
Equipment	73,226	-	-	73,226
Less Accumulated Depreciation	<u>(68,228)</u>	<u>(1,085)</u>	<u>-</u>	<u>(69,313)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 4,998</u>	<u>\$ (1,085)</u>	<u>\$ -</u>	<u>\$ 3,913</u>

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Other operation and maintenance of plant	\$ <u>94,024</u>
Total	\$ <u>94,024</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2023 consist of the following:

\$ 129,150	Due to General Fund from Enterprise Fund representing cash advance.
<u>67,142</u>	Due to General Fund from Capital Project Fund representing cash advance.
<u>\$ 196,292</u>	

10. Inventory

As of June 30, 2023, the District had the following inventory:

Food	\$ 10,903
Supplies	<u>3,358</u>
	<u>\$ 14,261</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity

Changes in Long-Term Obligations for the year ended June 30, 2023, are as follows:

	<u>Balance July 01, 2022</u>	<u>Increases/ Decreases</u>	<u>Balance June 30, 2023</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 161,365	\$ (18,404)	\$ 142,961	\$ -
Bonds Payable	615,000	(70,000)	545,000	70,000
Pension liability - PERS	<u>896,755</u>	<u>280,184</u>	<u>1,176,939</u>	<u>-</u>
	<u>\$ 1,673,120</u>	<u>\$ 191,780</u>	<u>\$ 1,864,900</u>	<u>\$ 70,000</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences payable and pension liability - PERS are liquidated by the general fund.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Long-Term Obligations (continued)

B. Unfunded Pension Liability

The School District approved an "Early Retirement Incentive Program" permitted by State Legislation during 1993 for certain members of the Teachers Pension and Annuity Fund. The members had to meet certain age and service requirements and had to apply for retirement between certain dates in fiscal year 1994 to be eligible. The District selected a thirty-year payment program and is assessed annually by the State Division of Pensions for their contribution to fund this program.

C. Debt Service Requirements

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

2015 School Bonds

On September 30, 2014, the voters approved a referendum authorizing the issuance of \$1,031,000 in bonds for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. On January 22, 2015, \$1,031,000 of School Bonds were issued. The Bonds mature annually on March 1 of each year from March 2016 and ending 2030. Interest is payable semi-annually at 2.0%-3.125%.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

11. Long-Term Obligations (continued)

C. Debt Service Requirements (continued)

Redemption

The Bonds are not subject to redemption prior to their stated maturities.

Debt Service Requirements on serial bonds payable at June 30, 2023 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 70,000	\$ 14,969	\$ 84,969
2025	70,000	13,365	83,365
2026	75,000	11,506	86,506
2027	80,000	9,206	89,206
2028	80,000	6,810	86,810
2029-2030	<u>170,000</u>	<u>6,124</u>	<u>176,124</u>
	<u>\$ 545,000</u>	<u>\$ 61,980</u>	<u>\$ 606,980</u>

D. Bonds Authorized But Not Issued

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

E. Capital Leases

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

12. Operating Leases

As of June 30, 2023, the District had various operating leases.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 with 30 years or more 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.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

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

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$1,176,939 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was .0077988514%, which was a increase of .0002289647% from its proportion measured as of June 30, 2021.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

For the year ended June 30, 2022, the School District recognized full accrual pension expense of \$125,691 in the government-wide financial statements consisting of employer contributions of \$98,346 and non-employer contributions of \$27,345. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,495	\$ 7,491
Changes of assumptions	3,647	176,234
Net difference between projected and actual earnings on pension plan investments	48,712	-
Changes in proportion and differences between District contributions and proportionate share of contributions	270,997	4,260
District contributions subsequent to the measurement date	106,051	-
Total	<u>\$ 437,902</u>	<u>\$ 187,985</u>

\$106,051 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022--2023 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 118,205
2024	60,222
2025	29,369
2026	(64,072)
2027	142
Thereafter	-
Total	<u>\$ 143,866</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.63
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00
June 30, 2020	5.00	5.00
June 30, 2021	5.00	5.00
June 30, 2022	5.00	5.00

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for the 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

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

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:	2.75% - 6.55%
	Based on years of service

Investment Rate of Return	7.00%
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Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
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 %

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

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

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	1,524,827	1,176,939	899,322

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	1,660,772,008	1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's Portion	.0077987514%	.0075697867%

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit plan with a special-funding situation, by which a 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 Statements which can be found at 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.

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

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. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$11,525,492. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was .0223386424%, which was an decrease of .0007471170% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$986,743 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

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

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

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

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50 %	8.83 %
Emerging Markets Equity	5.50 %	10.33 %
Private Equity	13.00 %	11.80 %
Real Estate	8.00 %	11.19 %
Real Assets	3.00 %	7.60 %
High Yield	4.00 %	4.95 %
Private Credit	8.00 %	8.10 %
Investment Grade Credit	7.00 %	3.38 %
Cash Equivalents	4.00 %	1.75 %
U.S. Treasuries	4.00 %	1.75 %
Risk Mitigation Strategies	3.00 %	4.91 %

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	13,535,407	11,525,492	9,866,210

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

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

Additional Information - The following is a summary of the collective balances of the local group:

	<u>6/30/23</u>	<u>6/30/22</u>
Collective Deferred Outflows of Resources	5,004,259,312	6,373,530,834
Collective Deferred Inflows of Resources	19,682,774,794	27,363,797,906
Collective Net Pension Liability	51,676,587,303	48,165,991,182
School District's Portion	.0223386424%	.0215915254%

C. Defined Contribution Retirement Plan (DCRP)

The Defined Contribution Retirement Plan is a cost-sharing multiple-employer defined contribution pension plan which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A.43:15C-1 et. seq), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Divisions of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A.43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential not later than the fifth business day after the date on which the employee is paid for that pay period.

The District's contributions to the DCRP for June 30, 2023 were \$14,385. There was no liability for unpaid contributions at June 30, 2023.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the School District.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

14. Post-Retirement Benefits (cont'd)

State Health Benefit State Retired Employees Plan

General Information about the OPEB Plan (cont'd)

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

14. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Employees covered by benefit terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	151,669
Active plan members	<u>213,148</u>
Total	<u><u>364,817</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.54%
Salary increases based on years of service:	PERS 2.75%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-4.25%
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.5%-6.25%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

14. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability (cont'd)

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

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

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

Balance at June 30, 2021	\$ 60,007,650,970
Changes for the year:	
Service cost	2,770,618,025
Interest on the total OPEB liability	1,342,187,139
Changes of benefit terms	-
Differences between expected and actual experiences	1,399,200,736
Changes in assumptions	(13,586,368,097)
Gross benefit payments by the state	(1,329,476,059)
Contributions from members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

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.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

14. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability of the State for School Retirees	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
Total OPEB Liability of the State Associated with the School District for School Retirees	\$11,766,142	\$10,010,374	\$8,450,863

Health Care Trend Assumptions

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

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

The following presents the June 30, 2022 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635
Total OPEB Liability of the State Associated with the School District for School Retirees	\$8,274,186	\$10,010,374	\$12,290,962

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

14. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2023, the board of education recognized OPEB expense of \$259,215 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 75 and in which there is a special funding situation.

In accordance with GASB 75, the Beverly City School 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. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions	8,765,620,577	17,237,289,230
Contributions made in fiscal year ending 2023 after June 30, 2022 measurement date	-	-
Total	<u>\$17,808,023,196</u>	<u>\$ 32,700,239,909</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
Total	<u>\$ (14,892,216,713)</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

15. Deferred Compensation

The Board offers its employees a choice of 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:

Lincoln Investments
VOYA 403b

AXA Equitable
Teachers Pension/WCC

16. Risk Management

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

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

17. Contingent Liabilities

Grant Programs

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

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

18. Fund Balances

General Fund - of the \$3,042,122 General Fund balance at June 30, 2023, \$2,187,957 is restricted for capital reserve, \$218,981 is restricted for maintenance reserve, \$331,000 is restricted for tuition reserve, \$112,630 is restricted for excess surplus, \$194,869 is restricted for excess surplus for subsequent year expenditures, \$178,859 has been classified as assigned fund balance designated for subsequent year expenditures, and \$(182,174) is unassigned.

Special Revenue Fund - of the \$8,719 Special Revenue Fund balance at June 30, 2023, \$8,719 is restricted for the use of student activities.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2023

19. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$112,630. The excess surplus at June 30, 2022 was \$194,869.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2023. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open years prior to June 30, 2020.

21. Subsequent Events

Management has evaluated subsequent events through October 25, 2023, the date the financial statements were available to be issued.

22. Tax Abatement

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

23. Economic Dependency

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2023

24. Deficit Fund Balance

The District has a deficit fund balance of \$182,174 in the General Fund as of June 30, 2023 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal June 30, 2024 year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$182,174 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,996,899	\$ -	\$ 2,996,899	\$ 3,099,011	\$ 102,112
Tuition - residents	-	-	-	-	-
Interest	-	-	-	9,207	9,207
Interest earned on maintenance reserve	100	(100)	-	1,521	1,521
Interest earned on capital reserve funds	100	(100)	-	17,983	17,983
Miscellaneous	12,674	200	12,874	130,404	117,530
Total - local sources	3,009,773	-	3,009,773	3,258,126	248,353
State sources:					
Transportation aid	193,173	-	193,173	193,173	-
Special education aid	182,606	-	182,606	182,606	-
Equalization aid	4,452,104	-	4,452,104	4,452,104	-
Categorical security	105,269	-	105,269	105,269	-
Adjustment aid	758,309	-	758,309	758,309	-
Extraordinary aid	65,000	-	65,000	189,349	124,349
Non-public transportation	-	-	-	5,928	5,928
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	622	622
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	259,215	259,215
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	986,743	986,743
TPAF social security (reimbursed - Non-budgeted)	-	-	-	223,578	223,578
Total state sources	5,756,461	-	5,756,461	7,356,896	1,600,435
Federal Sources					
Impact Aid	22,220	-	22,220	10,006	(12,214)
Medicaid reimbursement	19,985	-	19,985	36,513	16,528
Total Federal Sources	42,205	-	42,205	46,519	4,314
Total revenues	8,808,439	-	8,808,439	10,661,541	1,853,102
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	146,649	(17,700)	128,949	122,971	5,978
Local Contrib. - Trans to Special Rev- Inclusion	53,812	(53,812)	-	-	-
Grades 1-5 - Salaries of teachers	549,883	111,900	661,783	649,165	12,618
Grades 6-8 - Salaries of teachers	542,634	(101,500)	441,134	432,052	9,082
Regular Programs - Home Instruction:					
Salaries of teachers	3,000	4,250	7,250	7,213	37
Purchased professional-educational services	3,000	(3,000)	-	-	-
Regular Programs - Undistributed Instruction					
Other salaries for instruction	277,355	57,820	335,175	328,305	6,870
Purchased professional-educational services	40,000	(36,450)	3,550	3,500	50
Purchased technical services	60,000	5,450	65,450	65,389	61
Other purchased services (400-500 series)	40,000	(2,100)	37,900	36,780	1,120
General supplies	70,000	74,700	144,700	138,083	6,617
Textbooks	35,000	(12,700)	22,300	21,842	458
Other objects - misc. exp.	6,000	(6,000)	-	-	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,827,333	20,858	1,848,191	1,805,300	42,891
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	127,202	25,000	152,202	151,647	555
Other salaries for instruction	-	6,901	6,901	6,900	1
General supplies	1,000	(1,000)	-	-	-
Total Learning and/or Language Disabilities	128,202	30,901	159,103	158,547	556
Resource Room/Resource Center:					
Salaries of teachers	195,529	5,489	201,018	198,229	2,789
Other salaries for instruction	-	5,944	5,944	5,944	-
General supplies	3,800	-	3,800	220	3,580
Total Resource Room/Resource Center	199,329	11,433	210,762	204,393	6,369
TOTAL SPECIAL EDUCATION - INSTRUCTION	327,531	42,334	369,865	362,940	6,925
Basic Skills/Remedial - Instruction					
Salaries of teachers	39,921	41,869	81,790	81,782	8
Total Basic Skills/Remedial - Instruction	39,921	41,869	81,790	81,782	8
Bilingual Education - Instruction					
Salaries of teachers	99,200	(45,000)	54,200	53,639	561
Total Bilingual Education - Instruction	99,200	(45,000)	54,200	53,639	561

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-curricular-Instruction					
Salaries	\$ 10,000	\$ -	\$ 10,000	\$ 4,398	\$ 5,602
Purchased Services (300-500) Series	3,000	-	3,000	2,972	28
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total School Sponsored Co-curricular-Instruction	13,000	-	13,000	7,370	5,630
School-Spon. Athletics - Instruction					
Salaries	5,000	-	5,000	4,852	148
Supplies and materials	4,000	-	4,000	2,134	1,866
Total School-Spon. Athletics - Instruction	9,000	-	9,000	6,986	2,014
Total Instruction	2,315,985	60,061	2,376,046	2,318,017	58,029
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	1,078,120	16,000	1,094,120	1,084,088	10,032
Tuition to other LEAs within the state - special	549,437	(162,722)	386,715	386,705	10
Tuition to County Voc. School Dist-regular	190,111	11,200	201,311	201,245	66
Tuition to CSSD & Reg. Day Schools	1,220,568	206,423	1,426,991	1,363,598	63,393
Tuition to private schools for the disabled - Within state	139,496	610	140,106	131,211	8,895
Tuition - State Facilities	14,227	(11,200)	3,027	-	3,027
Total Undistributed Expenditures - Instruction:	3,191,959	60,311	3,252,270	3,166,847	85,423
Undist. Expend. - Attend & Social Work					
Salaries	33,443	6,555	39,998	39,995	3
Purchased professional and technical services	2,000	2,410	4,410	4,408	2
Total Undistributed Expenditures - Attend & Social Work	35,443	8,965	44,408	44,403	5
Undist. Expend. - Health Services					
Salaries	93,384	1,532	94,916	94,914	2
Purchased professional and technical services	6,500	43,081	49,581	49,581	-
Supplies and materials	2,500	1,450	3,950	3,897	53
Other objects	500	-	500	500	-
Total Undistributed Expenditures - Health Services	102,884	46,063	148,947	148,892	55
Undist. Expend. - Speech Services					
Salaries	70,498	500	70,998	70,978	20
Purchased professional - educational services	110,000	1,003	111,003	111,002	1
Supplies and materials	2,000	(1,503)	497	212	285
Total Undist. Expend.-Speech Svcs	182,498	-	182,498	182,192	306
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	21,323	-	21,323	20,316	1,007
Purchased professional - educational services	8,000	-	8,000	-	8,000
Total Undist. Expend.-Othr Sprt Svcs Students-Extraordinary Svcs	29,323	-	29,323	20,316	9,007
Undist. Expend.- Other Support Services Students-Regular					
Salaries of secretarial and clerical assistants	16,013	150	16,163	16,154	9
Purchased professional - educational services	7,500	220	7,720	5,774	1,946
Total Undist. Expend. - Other Support Services - Students-Regular	23,513	370	23,883	21,928	1,955
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	188,100	(15,911)	172,189	171,402	787
Salaries of secretarial and clerical assistants	25,916	-	25,916	25,916	-
Purchased professional - educational services	40,000	(32,955)	7,045	254	6,791
Other purchased professional services	47,587	(38,110)	9,477	149	9,328
Supplies and materials	2,800	2,500	5,300	5,274	26
Other objects	1,780	720	2,500	2,500	-
Total Undist. Expend. - Other Support Services - Students-Special	306,183	(83,756)	222,427	205,495	16,932
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	195,402	(605)	194,797	194,796	1
Salaries of other professional staff	8,000	60	8,060	7,943	117
Salaries of secretarial and clerical assist.	2,500	125	2,625	2,476	149
Other salaries	6,000	-	6,000	5,932	68
Other purchased professional and technical services	-	5,500	5,500	5,496	4
Supplies and materials	2,600	(2,480)	120	111	9
Total Undist. Expend. - Improvement of Instruction Services	214,502	2,600	217,102	216,754	348
Undist. Expend. - Educational Media Services/School Library					
Purchased professional and technical services	1,420	(1,400)	20	-	20
Other purchased services (400-500 series)	1,500	(856)	644	-	644
Supplies and materials	1,000	-	1,000	-	1,000
Other objects	1,000	-	1,000	-	1,000
Total Undist. Expend. - Educational Media Services/School Library	4,920	(2,256)	2,664	-	2,664
Undist. Expend. - Instruction Staff Training Services					
Purchased professional and technical services	1,000	(150)	850	-	850
Other purchased services (400-500 series)	18,000	1,750	19,750	19,674	76
Total Undist. Expend. - Instruction Staff Training Services	19,000	1,600	20,600	19,674	926

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 176,588	\$ -	\$ 176,588	\$ 172,822	\$ 3,766
Legal services	27,000	(235)	26,765	11,705	15,060
Audit fees	20,000	-	20,000	18,200	1,800
Other purchased professional services	4,000	835	4,835	4,835	-
Purchased technical services	2,000	-	2,000	700	1,300
Communications/Telephone - Bus	6,000	-	6,000	5,978	22
Travel - All Other	-	2,100	2,100	2,048	52
BOE other purchased prof. svc.	1,000	-	1,000	-	1,000
Other purchased services (400-500 series)	5,000	-	5,000	1,127	3,873
General supplies	4,000	-	4,000	3,384	616
BOE membership dues and fees	3,000	5,200	8,200	8,177	23
Miscellaneous expenditures	7,000	(4,000)	3,000	250	2,750
Total Undist. Expend. - Support Service - General Administration	255,588	3,900	259,488	229,226	30,262
Undist. Expend. - Support Service - School Administration					
Salaries of secretarial and clerical assistants	29,441	(944)	28,497	26,173	2,324
Supplies and materials	3,500	(2,400)	1,100	785	315
Other objects	500	-	500	500	-
Total Undist. Expend. - Support Service - School Administration	33,441	(3,344)	30,097	27,458	2,639
Undist. Expend. - Central Services					
Salaries	110,438	3,900	114,338	114,037	301
Purchased technical services	9,000	(3,350)	5,650	5,627	23
Misc. Pur Serv (400-500 series)	4,000	(4,000)	-	-	-
Supplies and materials	4,000	(1,350)	2,650	2,613	37
Miscellaneous Expenditures	3,200	(3,000)	200	67	133
Total Undist. Expend. - Central Services	130,638	(7,800)	122,838	122,344	494
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	12,000	13,200	25,200	24,619	581
Total Undist. Expend - Admin. Info. Technology	12,000	13,200	25,200	24,619	581
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	120,000	(52,850)	67,150	61,891	5,259
General supplies	35,000	4,500	39,500	35,277	4,223
Total Undist. Expend. - Allowed Maintenance for School Facilities	155,000	(48,350)	106,650	97,168	9,482
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	121,159	43,650	164,809	160,726	4,083
Salaries of Non-Instructional Aides	-	-	-	-	-
Purchased professional and technical services	25,000	19,475	44,475	41,837	2,638
Cleaning, repair and maintenance services - up keep	46,000	24,100	70,100	70,021	79
Rental of land and building other than lease	18,000	(17,375)	625	625	-
Other purchased property services	4,000	(2,000)	2,000	1,687	313
Insurance	56,701	(55,800)	901	-	901
Miscellaneous purchased services	7,000	40,900	47,900	45,719	2,181
General supplies	6,000	(2,000)	4,000	1,598	2,402
Energy (Heat and Electricity)	81,250	(3,400)	77,850	73,593	4,257
Other objects	5,000	(3,000)	2,000	214	1,786
Energy (Natural Gas)	76,250	(42,310)	33,940	29,515	4,425
Total Undist. Expend. - Other Operation & Maintenance Of Plant	446,360	2,240	448,600	425,535	23,065
Undist. Expend. - Security					
Salaries	55,896	-	55,896	55,865	31
Total Undist. Expend. - Security	55,896	-	55,896	55,865	31
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	37,642	(150)	37,492	30,595	6,897
Salaries for pupil trans. (other than between home and school)	25,286	150	25,436	25,412	24
Cleaning, repair and maintenance services	-	10,000	10,000	9,846	154
Lease purchase payments - School buses	-	-	-	-	-
Contract services -(between home and school)-Vendor	40,499	-	40,499	33,708	6,791
Contract services (other than between home & school) - Vendors	10,000	(9,500)	500	-	500
Contract services -(between home and school)-Joint	-	-	-	-	-
Contract services -(special education students) - Vendors	10,000	-	10,000	-	10,000
Contract services-(special education students)-Joint	18,492	64,900	83,392	83,358	34
Contract services-(regular students)ESC's & CTSA's	77,922	(45,326)	32,596	-	32,596
Contract services-(special education students)-ESC's & CTSA's	220,000	(49,604)	170,396	133,570	36,826
Aid in lieu of payments	40,000	(8,900)	31,100	25,236	5,864
Other Objects	6,000	-	6,000	212	5,788
Miscellaneous expenditures	-	-	-	-	-
Total Undist. Expend. - Student Transportation Services	485,841	(38,430)	447,411	341,937	105,474
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	46,268	(37,000)	9,268	8,994	274
Social security contributions	84,000	6,405	90,405	90,403	2
Other retirement contributions - PERS	80,000	26,100	106,100	106,051	49
Other retirement contributions - ERIP	-	-	-	-	-
Other retirement contributions - Regular	1,000	-	1,000	-	1,000
Unemployment Compensation	25,000	(8,600)	16,400	16,398	2
Workmen's compensation	51,425	(12,900)	38,525	38,504	21
Health benefits	815,463	(13,480)	801,983	641,449	160,534
Tuition reimbursement	30,000	(29,025)	975	-	975
Other employee benefits	-	54,500	54,500	53,277	1,223
TOTAL UNALLOCATED EMPLOYEE BENEFITS	1,133,156	(14,000)	1,119,156	955,076	164,080

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	\$ -	\$ -	\$ -	\$ 622	\$ (622)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	259,215	(259,215)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	986,743	(986,743)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	223,578	(223,578)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,470,158	(1,470,158)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,133,156	(14,000)	1,119,156	2,425,234	(1,306,078)
TOTAL UNDISTRIBUTED EXPENDITURES	6,818,145	(58,687)	6,759,458	7,775,887	(1,016,429)
INTEREST EARNED ON MAINTENANCE RESERVE					
Interest earned on maintenance reserve	100	(100)	-	-	-
TOTAL INTEREST EARNED ON MAINTENANCE RESERVE	100	(100)	-	-	-
TOTAL GENERAL CURRENT EXPENDITURES	9,134,230	1,274	9,135,504	10,093,904	(958,400)
CAPITAL OUTLAY					
Interest	-	-	-	-	-
Equipment					
Undistributed:					
Undistributed expenditures - Non-Instructional equip.	4,000	9,500	13,500	13,403	97
Undistributed expenditures - Operation & maint. of plant services	-	-	-	-	-
Total Equipment	4,000	9,500	13,500	13,403	97
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	-	-	-	-
Land and improvements	-	100,000	100,000	-	100,000
Construction services	764,000	(110,500)	653,500	45,888	607,612
Other Purchases Prof. & Tech Services	36,000	10,500	46,500	46,500	-
Total Facilities Acquisition and Construction Services	800,000	-	800,000	92,388	707,612
Capital reserve - Transfer to	100	(100)	-	-	-
TOTAL CAPITAL OUTLAY	804,100	9,400	813,500	105,791	707,709
Transfer of funds to charter schools	10,674	(10,674)	-	-	-
TOTAL EXPENDITURES	9,949,004	-	9,949,004	10,199,695	(250,691)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(1,140,565)	-	(1,140,565)	461,846	1,602,411
Other Financing Uses:					
Transfer out- capital projects	-	-	-	(800,000)	800,000
Total Other Financing Sources:	-	-	-	(800,000)	800,000
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(1,140,565)	-	(1,140,565)	(338,154)	2,402,411
Fund Balance, July 1	3,942,727	-	3,942,727	3,942,727	-
Fund Balance, June 30	<u>\$ 2,802,162</u>	<u>\$ -</u>	<u>\$ 2,802,162</u>	<u>\$ 3,604,573</u>	<u>\$ 2,402,411</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				2,187,957	
Maintenance reserve				218,981	
Tuition reserve				331,000	
Excess surplus - Designated for subsequent year's expenditures				194,869	
Excess surplus - Current year				112,630	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				178,859	
Unassigned Fund Balance				<u>380,277</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				3,604,573	
Last state aid payment not recognized on GAAP basis				(562,451)	
Fund balance per governmental funds (GAAP) - B-1				<u>3,042,122</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 3,042,122</u>	

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 4,085	\$ 4,085
State sources	-	-	-	755,079	755,079
Federal sources	970,446	1,095,877	2,066,323	1,301,566	(764,757)
Total Revenues	<u>970,446</u>	<u>1,095,877</u>	<u>2,066,323</u>	<u>2,060,730</u>	<u>(5,593)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	359,490	265,192	624,682	624,682	-
Other salaries for instruction	87,410	-	87,410	87,410	-
Purchased professional services	14,669	3,840	18,509	18,509	-
General supplies	3,271	3,023	6,294	6,294	-
Tuition	100,784	27,340	128,124	128,124	-
Other Objects	-	4,678	4,678	-	4,678
Total instruction	<u>565,624</u>	<u>304,073</u>	<u>869,697</u>	<u>865,019</u>	<u>4,678</u>
Support services:					
Salaries of program director	252,025	127,305	379,330	379,330	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	8,571	48,144	56,715	56,715	-
Employee Benefits	144,226	138,961	283,187	278,187	5,000
Miscellaneous purchased services (400-500 series)	-	-	-	-	-
Miscellaneous expenditures	-	-	-	-	-
Student activities	-	-	-	4,857	(4,857) Note 1
Supplies & materials	-	-	-	-	-
Total support services	<u>404,822</u>	<u>314,410</u>	<u>719,232</u>	<u>719,089</u>	<u>143</u>
Facilities acquisition and const. serv.:					
Instructional equipment	-	477,394	477,394	477,394	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>477,394</u>	<u>477,394</u>	<u>477,394</u>	<u>-</u>
Total expenditures	<u>970,446</u>	<u>1,095,877</u>	<u>2,066,323</u>	<u>2,061,502</u>	<u>4,821</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>970,446</u>	<u>1,095,877</u>	<u>2,066,323</u>	<u>2,061,502</u>	<u>4,821</u>
Excess (deficiency) of revenues					
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (772)</u>	<u>\$ (772)</u>
Fund Balance, July 1				<u>9,491</u>	
Fund Balance, June 30				<u>\$ 8,719</u>	
Recapitulation:					
Restricted:					
Student Activities				8,719	
Total Fund Balance				<u>\$ 8,719</u>	

Note 1 - Not required to budget for these funds.

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2023

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 10,661,541	[C-2]	\$ 2,060,730
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(986,743)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(562,451)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		431,741		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 9,544,088</u>	[B-2]	<u>\$ 2,060,730</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 10,199,695	[C-2]	\$ 2,061,502
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(986,743)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 9,212,952</u>	[B-2]	<u>\$ 2,061,502</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.0053958974%	0.0050259860%	0.0051544052%	0.0052933247%	0.0051245785%	0.0053567090%	0.0071756507%	0.0075697867%	0.0077987514%
District's proportionate share of the net pension liability	\$ 1,053,470	\$ 1,174,024	\$ 1,526,587	\$ 1,232,201	\$ 1,009,004	\$ 965,198	\$ 1,170,161	\$ 896,755	\$ 1,176,939
District's covered-employee payroll	-	345,539	359,143	347,570	359,886	453,216	534,967	554,698	523,102
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	339.77%	425.06%	354.52%	222.63%	180.42%	218.74%	161.67%	224.99%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	70.33%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contributions	\$ 44,483	\$ 44,495	\$ 46,728	\$ 49,974	\$ 51,974	\$ 53,094	\$ 79,403	\$ 89,556	\$ 99,240
Contributions in relation to the contractually required contribution	<u>\$ 59,764</u>	<u>\$ 44,495</u>	<u>\$ 46,728</u>	<u>\$ 50,160</u>	<u>\$ 52,324</u>	<u>\$ 53,094</u>	<u>\$ 79,584</u>	<u>\$ 89,739</u>	<u>\$ 106,051</u>
Contribution deficiency (excess)	\$ (15,281)	\$ -	\$ -	\$ (186)	\$ (350)	\$ -	\$ (181)	\$ (183)	\$ (6,811)
District's covered-employee payroll	\$ 345,539	\$ 359,143	\$ 347,570	\$ 359,886	\$ 453,216	\$ 534,967	\$ 554,698	\$ 523,102	\$ 529,924
Contributions as a percentage of covered-employee payroll	12.87%	12.39%	13.44%	14.38%	11.47%	9.92%	14.31%	17.12%	18.73%

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2023

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State's proportion of the net pension liability associated with the District	0.0183641908%	0.0198012861%	0.0174542012%	0.0200829170%	0.0214816045%	0.0212569572%	0.0218023034%	0.0215915254%	0.0223386424%
State's proportionate share of the net pension liability associated with the District	\$ 9,815,062	\$ 12,515,258	\$ 13,730,586	\$ 13,540,627	\$ 13,666,135	\$ 13,045,595	\$ 14,356,554	\$ 10,380,167	\$ 11,525,492
District's covered-employee payroll	1,986,064	2,117,683	2,163,122	2,224,442	2,312,535	2,454,455	2,561,100	2,799,974	3,031,939
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	494.20%	590.99%	634.76%	608.72%	590.96%	531.51%	560.56%	370.72%	380.14%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the ACFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
State's proportion of the OPEB liability associated with the District						
Service cost	\$ 536,262	\$ 441,276	\$ 394,562	\$ 414,455	\$ 809,613	\$ 657,872
Interest cost	352,885	406,465	380,572	299,729	307,679	265,286
Changes of benefit terms	-	-	-	-	(12,624)	-
Differences between expected and actual experiences	-	(977,141)	(1,942,385)	3,160,228	(3,580,332)	166,238
Changes in assumptions	(1,576,050)	(1,097,215)	123,322	2,659,458	11,701	(2,685,373)
Member contributions	9,411	8,836	7,526	7,682	7,866	8,430
Gross benefit payments	<u>(255,590)</u>	<u>(255,668)</u>	<u>(253,897)</u>	<u>(253,463)</u>	<u>(242,365)</u>	<u>(262,774)</u>
Net change in total OPEB liability	(933,082)	(1,473,447)	(1,290,300)	6,288,089	(2,698,462)	(1,850,321)
State's Total OPEB liability - beginning	<u>11,967,897</u>	<u>11,034,815</u>	<u>9,561,368</u>	<u>8,271,068</u>	<u>14,559,157</u>	<u>11,860,695</u>
State's Total OPEB liability - ending	<u>\$ 11,034,815</u>	<u>\$ 9,561,368</u>	<u>\$ 8,271,068</u>	<u>\$ 14,559,157</u>	<u>\$ 11,860,695</u>	<u>\$ 10,010,374</u>
District's covered employee payroll	<u>\$ 3,177,000</u>	<u>\$ 3,379,568</u>	<u>\$ 3,654,480</u>	<u>\$ 3,720,150</u>	<u>\$ 3,702,150</u>	<u>\$ 4,382,839</u>
Total State's OPEB liability as a percentage of covered employee payroll	347%	283%	226%	391%	320%	228%

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

Beverly City School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2023

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2021, to 7.00% as of June 30, 2022.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	SDA Emergent 22/23	Student Activities 22/23	TITLE II 22/23	IDEA PRESCHOOL 22/23	IDEA Basic 22/23	TITLE I 22/23
Revenues:						
Local sources		\$ 4,085	\$ -	\$ -	\$ -	\$ -
State sources	8,079	-	-	-	-	-
Federal sources	-	-	11,715	3,848	128,124	125,106
Total revenues	8,079	4,085	11,715	3,848	128,124	125,106
Expenditures:						
Instruction:						
Salaries of teachers	-	-	-	3,848	-	82,850
Other salaries/instruction	-	-	-	-	-	-
Purchased professional services	8,079	-	-	-	-	-
General supplies	-	-	-	-	-	1
Tuition	-	-	-	-	128,124	-
Textbooks	-	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total instruction	8,079	-	-	3,848	128,124	82,851
Support services:						
Other support services - students - special:						
Other professional staff salaries	-	-	-	-	-	-
Personal Services	-	-	-	-	-	-
Purchased professional services	-	-	11,715	-	-	-
Other purchased professional services	-	-	-	-	-	-
Purchased technical services	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	42,255
Travel	-	-	-	-	-	-
General supplies	-	-	-	-	-	-
Student activities	-	4,857	-	-	-	-
Miscellaneous expenses	-	-	-	-	-	-
Total other support services - students - special	-	4,857	11,715	-	-	42,255
Total support services	-	4,857	11,715	-	-	42,255
Equipment:						
Regular programs instruction	-	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total expenditures	8,079	4,857	11,715	3,848	128,124	125,106
Excess (deficiency) of revenues Over (under) expenditures	-	(772)	-	-	-	-
Fund Balance, July 1	-	9,491	-	-	-	-
Fund Balance, June 30	\$ -	\$ 8,719	\$ -	\$ -	\$ -	\$ -

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	ARP ESSER III 22/23	ESSER III Learning Acceleration 22/23	ESSER III Summer learning 22/23	ESSER III Mental Health 22/23	ARP ESSER III School Day 22/23
Revenues:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	826,156	45,000	25,096	88,501	36,500
Total revenues	826,156	45,000	25,096	88,501	36,500
Expenditures:					
Instruction:					
Salaries of teachers	243,974	-	21,000	-	-
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	1,792	-	-
Tuition	-	-	-	-	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	243,974	-	22,792	-	-
Support services:					
Other support services - students - special:					
Other professional staff salaries	-	-	2,304	88,501	36,500
Personal Services	-	-	-	-	-
Purchased professional services	-	45,000	-	-	-
Other purchased professional services	-	-	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	104,788	-	-	-	-
Travel	-	-	-	-	-
General supplies	-	-	-	-	-
Student activities	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services - students - special	104,788	45,000	2,304	88,501	36,500
Total support services	104,788	45,000	2,304	88,501	36,500
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	477,394	-	-	-	-
Total equipment	477,394	-	-	-	-
Total expenditures	826,156	45,000	25,096	88,501	36,500
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

(Continued from prior page)

	Preschool Edu. Aid 22/23	TITLE IV 22/23	Climate Change 22/23	Total 2023
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 4,085
State sources	740,340	-	6,660	755,079
Federal sources	-	11,520	-	1,301,566
Total revenues	740,340	11,520	6,660	2,060,730
Expenditures:				
Instruction:				
Salaries of teachers	261,490	11,520	-	624,682
Other salaries/instruction	87,410	-	-	87,410
Purchased professional services	5,000	-	5,430	18,509
General supplies	3,271	-	1,230	6,294
Tuition	-	-	-	128,124
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	357,171	11,520	6,660	865,019
Support services:				
Other support services -				
students - special:				
Other professional				
staff salaries	252,025	-	-	379,330
Personal Services	-	-	-	-
Purchased professional services	-	-	-	56,715
Other purchased professional				
services	-	-	-	-
Purchased technical services	-	-	-	-
Employee benefits	131,144	-	-	278,187
Travel	-	-	-	-
General supplies	-	-	-	-
Student activities	-	-	-	4,857
Miscellaneous expenses	-	-	-	-
Total other support services -	383,169	-	-	719,089
students - special				
Total support services	383,169	-	-	719,089
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	477,394
Total equipment	-	-	-	477,394
Total expenditures	740,340	11,520	6,660	2,061,502
Excess (deficiency) of revenues				
Over (under) expenditures	-	-	-	(772)
Fund Balance, July 1	-	-	-	9,491
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 8,719

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 261,490	\$ 261,490	\$ -
Other Salaries for Instruction	87,410	87,410	-
Other Purchased Services (400-500 series)	5,000	5,000	-
General Supplies	3,271	3,271	-
Total instruction	<u>357,171</u>	<u>357,171</u>	<u>-</u>
Support services:			
Salaries of Other Professional Staff	252,025	252,025	-
Personal Services - Employee Benefits	131,144	131,144	-
Rentals	-	-	-
Other Objects	-	-	-
Total support services	<u>383,169</u>	<u>383,169</u>	<u>-</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities acquisition and cont. serv.	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 740,340</u>	<u>\$ 740,340</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2022-23 PreK/ECPA Aid Allocation	\$ 740,340
Add: Actual PreK/ECPA Aid Carryover June 30, 2021	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2022-23 Budget	<u>740,340</u>
Less: 2020-21 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>740,340</u>
Available & Unbudgeted Funds as of June 30, 2023	-
Add: June 30, 2022 Unexpended PreK Aid	-
2023 - Actual Carryover - PreK Aid	<u>\$ -</u>
2022-23 PreK Aid Carryover Budgeted in 2024-FY	<u>\$ -</u>

F. Capital Projects Fund

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2023

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2023
			Prior Years	Current Year	
HVAC Replacement	04/22/22	\$ 1,460,750	\$ -	\$ 67,142	\$ 1,393,608
Totals		\$ 1,460,750	\$ -	\$ 67,142	\$ 1,393,608

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2023

Revenues and Other Financing Sources

State Sources - Grant	\$ -
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from General Fund	800,000
Total revenues	<u>800,000</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Construction services	67,142
Supplies	-
Total expenditures	<u>67,142</u>

Excess (deficiency) of revenues over (under) expenditures 732,858

Fund balance - beginning -

Fund balance - ending \$ 732,858

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC REPLACEMENT
For the Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SSB-VEEVR Grant	\$ -	\$ 67,142	\$ 67,142	\$ 660,750
Bond proceeds and transfers	-	-	-	-
Transfer from capital reserve	-	800,000	800,000	800,000
Total revenues	-	867,142	867,142	1,460,750
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Construction services	-	67,142	67,142	660,750
Supplies	-	-	-	-
Total expenditures	-	67,142	67,142	660,750
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 800,000	- \$ 800,000	\$ 800,000
Additional project information:				
Project Number	SP 0380-025-14-1003-G04			
Grant Date	4/22/2022			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	-			
Original Authorized Cost	1,460,750			
Additional Authorized Cost	-			
Revised Authorized Cost	1,460,750			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	10%			
Original target completion date	2024			
Revised target completion date	2024			

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

BEVERLY CITY SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>July 1, 2022</u>			<u>June 30, 2023</u>
Series 2015 Bonds	2/5/2015	1,031,000				\$ 615,000		\$ 70,000	\$ 545,000
			2/1/2024	70,000	2.250%				
			2/1/2025	70,000	2.375%				
			2/1/2026	75,000	3.000%				
			2/1/2027	80,000	3.000%				
			2/1/2028	80,000	3.000%				
			2/1/2029	85,000	3.000%				
			2/1/2030	85,000	3.125%				
						-	-	-	-
						<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 545,000</u>

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 86,894	\$ -	\$ 86,894	\$ 86,894	\$ -
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
	-	-	-	-	-
Total - State Sources	-	-	-	-	-
Total Revenues	86,894	-	86,894	86,894	-
EXPENDITURES:					
Regular Debt Service:					
Interest	16,894	-	16,894	16,894	-
Redemption of Principal	70,000	-	70,000	70,000	-
	-	-	-	-	-
Total Regular Debt Service	86,894	-	86,894	86,894	-
Total expenditures	86,894	-	86,894	86,894	-
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**Beverly City School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	101-105
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	106-109
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	110-113
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	114-115
Operating Information 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.	116-120

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

BEVERLY CITY SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 117,053	\$ 260,766	\$ 1,673,305	\$ 1,761,474	\$ 1,724,794	\$ 1,783,814	\$ 1,794,499	\$ 1,778,274	\$ 2,898,403	\$ 3,465,564
Restricted	1,371,379	1,614,184	2,174,144	3,091,266	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244	3,787,014
Unrestricted	(126,216)	(1,256,874)	(1,177,421)	(1,140,178)	(1,209,159)	(1,236,886)	(1,248,695)	(1,166,316)	(1,016,294)	(1,083,993)
Total governmental activities net position	\$ 1,362,216	\$ 618,076	\$ 2,670,028	\$ 3,712,562	\$ 4,060,215	\$ 4,212,762	\$ 4,289,971	\$ 3,976,149	\$ 5,229,353	\$ 6,168,585
Business-type activities										
Net investment in capital assets	\$ 16,152	\$ 12,026	\$ 10,069	\$ 3,831	\$ 5,057	\$ 3,972	\$ 2,887	\$ 6,083	\$ 4,998	\$ 3,913
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	59,457	48,016	56,484	78,098	64,772	65,431	105,408	74,118	101,740	97,491
Total business-type activities net position	\$ 75,609	\$ 60,042	\$ 66,553	\$ 81,929	\$ 69,829	\$ 69,403	\$ 108,295	\$ 80,201	\$ 106,738	\$ 101,404
District-wide										
Net investment in capital assets	\$ 133,205	\$ 272,792	\$ 1,683,374	\$ 1,683,374	\$ 1,729,851	\$ 1,787,786	\$ 1,797,386	\$ 1,784,357	\$ 2,903,401	\$ 3,469,477
Restricted	1,371,379	1,614,184	2,174,144	2,174,144	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244	3,787,014
Unrestricted	(66,759)	(1,208,858)	(1,120,937)	(1,120,937)	(1,144,387)	(1,171,455)	(1,143,287)	(1,092,198)	(914,554)	(986,502)
Total district net position	\$ 1,437,825	\$ 678,118	\$ 2,736,581	\$ 2,736,581	\$ 4,130,044	\$ 4,282,165	\$ 4,398,266	\$ 4,056,350	\$ 5,336,091	\$ 6,269,989

Source: ACFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

BEVERLY CITY SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
UNAUDITED
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,681,078	\$ 1,758,381	\$ 1,873,420	\$ 1,784,149	\$ 1,801,640	\$ 1,906,207	\$ 1,923,825	\$ 1,452,377	\$ 1,502,760	\$ 1,805,300
Special education	416,758	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697	362,940
Other special education	117,006	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963	149,777
Support Services:										
Instruction	2,189,196	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671	3,166,847
Attendance and social work	27,360	28,803	31,525	33,558	32,855	40,414	31,890	36,228	40,227	44,403
Health services	60,070	72,830	123,901	138,734	137,535	147,146	127,366	126,375	133,294	148,892
Improvement of instr. services	-	-	-	-	-	-	-	-	-	-
Educational media services	1,369	2,710	4,447	4,775	5,043	10,720	5,043	3,641	3,806	-
Instruction staff training	10,595	5,468	8,584	25,327	18,382	17,205	7,079	8,135	8,317	19,674
School Administrative services	20,460	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781	27,458
General administration	217,921	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649	229,226
Central Services	140,943	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715	122,344
Plant operations and maintenance	469,316	514,151	502,166	675,776	710,067	600,581	538,923	583,167	556,570	731,734
Administrative information technology	13,292	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818	24,619
Pupil transportation	399,825	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039	341,937
Other support services	718,776	619,725	645,775	678,410	709,503	726,783	1,017,121	588,798	597,824	647,457
Special Schools	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	10,029	26,205	20,756	21,864	21,894	20,694	18,241	14,462	15,598
Unallocated employee benefits	552,123	680,591	544,562	581,847	729,877	646,261	436,289	329,461	(268,128)	(139,220)
Total governmental activities expenses	<u>7,036,088</u>	<u>6,768,105</u>	<u>6,302,626</u>	<u>6,286,842</u>	<u>6,757,075</u>	<u>6,957,168</u>	<u>7,401,939</u>	<u>6,867,129</u>	<u>6,581,465</u>	<u>7,698,986</u>
Business-type activities:										
Enterprise fund	16,677	15,567	(6,511)	(15,376)	12,100	426	(38,892)	28,094	(26,537)	5,334
Child Care	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>16,677</u>	<u>15,567</u>	<u>(6,511)</u>	<u>(15,376)</u>	<u>12,100</u>	<u>426</u>	<u>(38,892)</u>	<u>28,094</u>	<u>(26,537)</u>	<u>5,334</u>
Total district expenses	<u>\$ 7,052,765</u>	<u>\$ 6,783,672</u>	<u>\$ 6,296,115</u>	<u>\$ 6,271,466</u>	<u>\$ 6,769,175</u>	<u>\$ 6,957,594</u>	<u>\$ 7,363,047</u>	<u>\$ 6,895,223</u>	<u>\$ 6,554,928</u>	<u>\$ 7,704,320</u>
Net (Expense)/Revenue										
Governmental activities	(7,036,088)	(6,768,105)	(6,302,626)	(6,286,842)	(6,757,075)	(6,957,168)	(7,401,939)	(6,867,129)	(6,581,465)	(7,698,986)
Business-type activities	(16,677)	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537	(5,334)
Total district-wide net expense	<u>\$ (7,052,765)</u>	<u>\$ (6,783,672)</u>	<u>\$ (6,296,115)</u>	<u>\$ (6,271,466)</u>	<u>\$ (6,769,175)</u>	<u>\$ (6,957,594)</u>	<u>\$ (7,363,047)</u>	<u>\$ (6,895,223)</u>	<u>\$ (6,554,928)</u>	<u>\$ (7,704,320)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 2,719,959	\$ 2,768,851	\$ 2,831,833	\$ 2,845,921	\$ 2,845,921	\$ 2,874,380	\$ 2,954,932	\$ 3,041,452	\$ 3,138,502	\$ 3,099,011
Taxes levied for debt service	-	-	78,035	79,194	83,094	81,894	80,694	84,494	83,194	86,894
Unrestricted grants and contributions	3,667,492	3,640,995	5,030,304	3,929,687	3,716,486	3,641,272	4,012,006	3,391,499	4,517,666	5,293,198
State aid - restricted	756,220	669,523	330,739	322,605	314,716	324,936	314,306	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,889	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200	28,711
Miscellaneous income - restricted	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	39,937	25,589	81,174	149,475	141,824	183,181	67,544	19,796	92,107	130,404
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>7,185,497</u>	<u>7,107,146</u>	<u>8,354,578</u>	<u>7,329,376</u>	<u>7,104,728</u>	<u>7,109,715</u>	<u>7,479,148</u>	<u>6,543,779</u>	<u>7,834,669</u>	<u>8,638,218</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 7,185,497</u>	<u>\$ 7,107,146</u>	<u>\$ 8,354,578</u>	<u>\$ 7,329,376</u>	<u>\$ 7,104,728</u>	<u>\$ 7,109,715</u>	<u>\$ 7,479,148</u>	<u>\$ 6,543,779</u>	<u>\$ 7,834,669</u>	<u>\$ 8,638,218</u>
Change in Net Position										
Governmental activities	149,409	339,041	2,051,952	1,042,534	347,653	152,547	77,209	(323,350)	1,253,204	939,232
Business-type activities	(16,677)	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537	(5,334)
Total district	<u>\$ 132,732</u>	<u>\$ 323,474</u>	<u>\$ 2,058,463</u>	<u>\$ 1,057,910</u>	<u>\$ 335,553</u>	<u>\$ 152,121</u>	<u>\$ 116,101</u>	<u>\$ (351,444)</u>	<u>\$ 1,279,741</u>	<u>\$ 933,898</u>

Source: ACFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

BEVERLY CITY SCHOOL DISTRICT
Fund Balances Governmental Funds
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ 3,047,002	\$ 3,510,217	\$ 3,576,940	\$ 3,744,167	\$ 3,352,178	\$ 3,337,753	\$ 3,045,437
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	44,264	34,363	88,894	121,137	72,028	176,115	178,859
Unassigned	-	-	-	(25,287)	3,107	24,174	(85,811)	69,021	(2,882)	(182,174)
Reserved	1,371,379	1,614,184	2,174,144	-	-	-	-	-	-	-
Unreserved	(67,635)	(79,992)	(71,640)	-	-	-	-	-	-	-
Total general fund	<u>\$ 1,303,744</u>	<u>\$ 1,534,192</u>	<u>\$ 2,102,504</u>	<u>\$ 3,065,979</u>	<u>\$ 3,547,687</u>	<u>\$ 3,690,008</u>	<u>\$ 3,779,493</u>	<u>\$ 3,493,227</u>	<u>\$ 3,510,986</u>	<u>\$ 3,042,122</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ (167,384)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special revenue fund	-	-	-	-	-	-	-	12,013	9,491	8,719
Debt service fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	(233,869)	(233,869)	(233,869)	(233,869)	(233,869)	-	732,858
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167,384)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (221,856)</u>	<u>\$ 9,491</u>	<u>\$ 741,577</u>

Source: ACFR Schedule B-1 and District records.

BEVERLY CITY SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 2,719,959	\$ 2,768,851	\$ 2,909,868	\$ 2,925,115	\$ 2,929,015	\$ 2,956,274	\$ 3,035,626	\$ 3,125,946	\$ 3,221,696	\$ 3,185,905
Tuition charges	-	-	65,965	-	-	74,844	-	-	-	-
Interest earnings	1,889	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200	28,711
Miscellaneous	40,657	25,589	15,209	149,475	141,824	108,337	67,544	24,288	100,159	134,489
State sources	4,432,481	4,391,802	5,484,808	4,442,000	4,363,265	4,360,584	4,740,416	5,125,583	5,695,218	6,994,522
Federal sources	344,010	352,239	345,104	386,809	368,745	398,774	357,318	456,038	1,470,500	1,348,085
Total revenue	7,538,996	7,540,669	8,823,447	7,905,893	7,805,536	7,902,865	8,250,570	8,738,393	10,490,773	11,691,712
Expenditures										
Instruction										
Regular Instruction	1,681,078	1,758,381	1,873,420	1,784,149	1,801,640	1,906,207	1,923,825	2,077,419	2,192,388	2,670,319
Special education instruction	416,758	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697	362,940
Other special instruction	117,006	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963	149,777
Support Services:										
Tuition	2,189,196	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671	3,166,847
Student & inst. related services	99,394	109,811	168,457	202,394	193,815	215,485	171,378	174,379	185,644	212,969
General administration	217,921	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649	229,226
School administrative services	20,460	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781	27,458
Central services	140,943	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715	122,344
Admin. information technology	13,292	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818	24,619
Plant operations and maintenance	417,707	425,746	686,129	621,541	591,474	514,473	483,358	480,317	461,530	578,568
Pupil transportation	399,825	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039	341,937
Other Support Services	718,776	619,725	645,775	678,410	709,503	726,783	1,017,121	1,134,319	1,210,976	1,365,774
Employee benefits	961,526	1,101,468	1,083,702	1,145,816	1,332,080	1,390,617	1,184,750	1,328,915	1,199,302	1,438,491
Special Schools	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	51,000	55,000	60,000	60,000	60,000	65,000	65,000	70,000
Interest and other charges	-	-	27,035	24,194	23,094	21,894	20,694	19,494	18,194	16,894
Capital outlay	28,671	937,967	1,670,111	153,889	21,913	85,128	6,250	21,625	916,300	650,327
Total expenditures	7,422,553	8,028,515	8,747,670	7,008,903	7,323,828	7,760,544	8,161,085	9,022,174	10,241,667	11,428,490
Excess (Deficiency) of revenues over (under) expenditures	116,443	(487,846)	75,777	896,990	481,708	142,321	89,485	(283,781)	249,106	263,222
Other Financing sources (uses)										
Transfers in	-	1,031,000	8	-	-	-	-	-	233,869	800,000
Transfers out	-	12,445	(8)	-	-	-	-	-	(233,869)	(800,000)
Total other financing sources (uses)	-	1,043,445	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 116,443	\$ 555,599	\$ 75,777	\$ 896,990	\$ 481,708	\$ 142,321	\$ 89,485	\$ (283,781)	\$ 249,106	\$ 263,222
Debt service as a percentage of noncapital expenditures										
	0.004	0.117	0.197	0.030	0.011	0.019	0.008	0.009	0.009	0.008

Source: ACFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

BEVERLY CITY SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
UNAUDITED
(modified accrual basis of accounting)

	Interest on Investments	Tuition	Transportation Fees	Special Revenue Interfund	Refunds	Miscellaneous	Annual Totals
Fiscal Year Ending June 30,							
2014	1,889	-	-	-	3,171	37,486	42,546
2015	1,686	-	-	-	3,171	22,418	27,275
2016	2,485	-	-	-	-	15,209	17,694
2017	2,494	-	-	-	-	149,475	151,969
2018	2,687	-	-	-	-	141,824	144,511
2019	4,052	-	-	-	-	108,337	112,389
2020	18,430	-	-	-	-	67,544	85,974
2021	6,538	-	-	-	-	19,796	26,334
2022	3,200	-	-	-	-	92,107	95,307
2023	28,711	-	-	-	-	130,404	159,115

Source: District records

BEVERLY CITY SCHOOL DISTRICT
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2014	1,105,500	110,371,900	6,049,100	2,419,900	960,800	120,907,200	126,223	121,033,423	117,961,711	2.288
2015	1,056,400	109,917,300	5,759,500	2,269,900	960,800	119,963,900	100	119,964,000	113,492,888	2.425
2016	991,700	109,065,000	5,580,900	3,757,900	952,700	120,348,200	100	120,348,300	117,741,157	2.430
2017	859,800	108,182,800	5,294,900	4,507,900	953,200	119,798,600	96	119,798,696	121,679,194	2.445
2018	917,600	107,857,700	5,405,100	4,507,900	953,200	119,641,500	97	119,641,597	124,221,603	2.470
2019	906,500	107,498,900	5,327,700	4,507,900	953,900	119,194,900	97	119,194,297	126,358,838	2.470
2020	839,300	107,822,200	5,181,900	4,507,900	953,200	119,304,500	121,007	119,425,507	124,457,021	2.618
2021	732,000	107,639,700	5,122,900	4,292,800	953,200	118,740,600	116,589	118,857,189	120,452,563	2.723
2022	730,800	108,363,200	5,350,100	4,292,800	1,151,900	119,888,800	100,848	119,989,648	129,015,197	2.864
2023	730,800	108,190,300	5,350,100	4,292,800	1,151,900	119,715,900	100,848	119,816,748	150,376,948	-

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, Telegraph and Messenger System Companies

^b Tax rates are per \$100

BEVERLY CITY SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
UNAUDITED
(rate per \$100 of assessed value)

Beverly City						Total Direct and Overlapping Tax Rate
Fiscal Year Ended June 30,	<u>School District Direct Rate</u>	<u>Overlapping Rates</u>				
	<u>Local School</u>	<u>City Of Beverly</u>	<u>Burlington County</u>	<u>County Open Space</u>	<u>Fire District</u>	
2014	2.288	1.406	0.356	0.015	0.119	4.184
2015	2.425	1.445	0.354	0.038	0.127	4.389
2016	2.430	1.472	0.360	0.039	0.138	4.439
2017	2.445	1.507	0.371	0.041	0.138	4.502
2018	2.470	1.531	0.358	0.026	0.141	4.526
2019	2.470	1.531	0.358	0.058	0.141	4.558
2020	2.618	1.608	0.359	0.021	0.156	4.762
2021	2.723	1.645	0.379	0.021	0.161	4.929
2022	2.864	1.777	0.382	0.027	0.182	5.232
2023	0.000	0.000	0.000	0.000	0.000	0.000

Source: Municipal Tax Collector

R = Reevaluation

BEVERLY CITY SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
UNAUDITED

2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value
CRC Group Inc.	\$2,250,000		1.88%	Taxpayer 1	\$ -
US Bank Trust	659,600		0.55%	Taxpayer 2	-
Casa La Bella LLC	484,800		0.40%	Taxpayer 3	-
Whitman	464,600		0.39%	Taxpayer 4	-
Stein	427,600		0.36%	Taxpayer 5	-
Code 3 Properties	422,400		0.35%	Taxpayer 6	-
Railroad Avenue Associates	420,100		0.35%	Taxpayer 7	-
McMichael	400,000		0.33%	Taxpayer 8	-
Burlington Co. Comm. Action BC&F	377,100		0.31%	Taxpayer 9	-
Crisonino	372,000		0.31%	Taxpayer 10	-
Total	<u>\$ 6,278,200</u>		<u>5.23%</u>	Total	<u>\$ -</u>

Source: Municipal Tax Assessor

BEVERLY CITY SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Current Tax Collections	Percentage of Levy	
2014	2,719,959	2,719,959	100.00%	-
2015	2,768,851	2,768,851	100.00%	-
2016	2,909,868	2,909,868	100.00%	-
2017	2,925,115	2,925,115	100.00%	-
2018	2,929,015	2,956,274	100.00%	-
2019	2,956,274	3,035,626	100.00%	-
2020	3,035,626	3,125,946	100.00%	-
2021	3,125,946	3,221,696	100.00%	-
2022	3,221,696	3,221,696	100.00%	-
2023	3,185,905	3,185,905	100.00%	-

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

BEVERLY CITY SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Business- Type Activities</u>	<u>Total District</u>	Percentage of Personal Income	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>			
2014	\$ -	\$ -	\$ -	\$ -	n/a	-
2015	1,031,000	-	-	1,031,000	1844%	407.19
2016	980,000	-	-	980,000	1702%	389.51
2017	925,000	-	-	925,000	1561%	370.15
2018	865,000	-	-	865,000	1415%	347.67
2019	805,000	-	-	805,000	1267%	323.81
2020	745,000	-	-	745,000	1109%	299.80
2021	680,000	-	-	680,000	978%	274.19
2022	615,000	-	-	615,000	N/A	246.89
2023	545,000	-	-	545,000	N/A	218.79

BEVERLY CITY SCHOOL DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	-	-	-	0.0000%	-
2015	1,031,000	-	1,031,000	0.8740%	407.19
2016	980,000	-	980,000	0.8635%	389.51
2017	925,000	-	925,000	0.7856%	370.15
2018	865,000	-	865,000	0.7109%	347.67
2019	805,000	-	805,000	0.6480%	323.81
2020	745,000	-	745,000	0.5896%	299.80
2021	680,000	-	680,000	0.5464%	274.19
2022	615,000	-	615,000	0.4941%	246.89
2023	545,000	-	545,000	0.4379%	218.79

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.

BEVERLY CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
County of Burlington	\$ -	0.000%	\$ -
Subtotal, overlapping debt			-
Total direct and overlapping debt			\$ -

Sources: Burlington County 2008 Abstract of Ratables, Beverly City, County of Burlington

BEVERLY CITY SCHOOL DISTRICT
Legal Debt Margin Information,
Last Ten Years
UNAUDITED

Equalized valuation basis	2023	119,816,748									
	2022	119,989,648									
	2021	118,857,189									
	[A]	358,663,585									
Average equalized valuation of taxable property	[A/3]	\$ 119,554,528									
Debt limit (3% of average equalization value)	[B]	3,586,636									
	[C]	-									
	[B-C]	\$ 3,586,636									
Fiscal Year											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Debt limit	\$ 3,279,216	\$ 3,648,337	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097	\$ 3,586,636	
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-	
Legal debt margin	\$ 3,279,216	\$ -	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097	\$ 3,586,636	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

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

▪ Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BEVERLY CITY SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
UNAUDITED

Year	Population ^a	Burlington County Per Capita Personal	
		Income ^c	Unemployment Rate ^d
2014	2,532	53,572	9.7%
2015	2,516	55,925	7.8%
2016	2,499	57,583	6.6%
2017	2,488	59,271	6.1%
2018	2,486	61,140	5.7%
2019	2,485	63,528	4.7%
2020	2,480	67,154	11.1%
2021	2,491	69,496	6.0%
2022	2,507	-	3.9%
2023	-	-	0.0%

Source:

* 2010 Census

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

^b Personal income estimated

^c Per capita information provided by the US Department of Commerce, Bureau of Economic Analysis.

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

BEVERLY CITY SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago
UNAUDITED

Employer	2023			2014		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Information not available						
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

BEVERLY CITY SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	19.0	18.0	18.0	20.0	20.0	20.0	20.0	20.0	23.0	23.0
Special education	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Other special education	5.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Support Services:										
Student & instruction related services	11.5	12.0	12.0	13.0	13.0	17.0	17.0	17.0	22.0	22.0
School Administrative Services	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0	2.0	2.0
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0
Pupil transportation	-	-	-	-	-	1.0	1.0	1.0	0.5	0.5
Business & Other support services	5.0	5.0	5.0	5.0	5.0	6.2	6.2	6.2	1.5	1.5
Total	<u>54.0</u>	<u>54.5</u>	<u>54.5</u>	<u>58.0</u>	<u>58.0</u>	<u>63.2</u>	<u>63.2</u>	<u>63.2</u>	<u>64.0</u>	<u>64.0</u>

Source: District Personnel Records

* GASB requires that ten years of statistical data be presented, however in current year only the years above need to be presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

BEVERLY CITY SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	295	6,709,293	22,743	5.06%	29.00	9.9:1	289.8	271.2	-5.91%	93.58%
2015	295	6,779,229	22,980	5.06%	29.00	10.5:1	302.6	284.5	4.42%	94.02%
2016	291	6,563,796	22,556	1.04%	18.00	10.1:1	294.2	279.9	-2.78%	95.14%
2017	295	6,463,650	21,364	-1.85%	31.00	9.8:1	303.8	287.8	3.26%	94.73%
2018	305	6,997,658	22,943	7.39%	31.00	9.5:1	293.3	279.2	-3.46%	95.19%
2019	304	7,593,522	24,979	8.87%	30.00	10.2:1	307.4	290.8	4.81%	94.60%
2020	317	8,074,141	25,470	11.02%	30.00	10.6:1	317.4	298.2	3.15%	93.95%
2021	324	8,916,055	27,519	19.94%	30.00	10.6:3	318.8	293.2	0.44%	91.97%
2022	334	9,242,173	27,671	20.61%	34.00	9.7:1	329.4	290.3	3.31%	88.15%
2023	339	10,691,269	31,538	113.97%	34.00	9.9:1	339.0	303.0	2.91%	89.38%

Sources: District records

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BEVERLY CITY SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
UNAUDITED

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District Building										
Elementary										
BEVERLY CITY Elementary										
Square Feet	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	295	295	291	295	305	304	317	324	334	339

Number of Schools at June 30, 2022:

Elementary = 1

Source: District Facilities Office

BEVERLY CITY SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
UNAUDITED

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

* School Facilities Project # (s)	Beverly City Elementary School	Total
2014	70,171	70,171
2015	66,132	66,132
2016	69,084	69,084
2017	68,733	68,733
2018	89,143	89,143
2019	73,577	73,577
2020	49,757	49,757
2021	101,287	101,287
2022	85,098	85,098
2023	97,168	97,168
Total School Facilities	<u>\$ 770,150</u>	<u>\$ 770,150</u>

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

Source: District records

BEVERLY CITY SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial package policy - NJSIG		
Building, Contents	\$ 8,541,428	\$ 5,000
Extra expense	50,000,000	5,000
Valuable papers	10,000,000	5,000
(Blanket Aggregate)		
Liability (General & Auto)	31,000,000	-
Automobile Liability	31,000,000	-
Crime	250,000	1,000
Student Accident - Bollinger	1,000,000	-
School board legal liability - NJSIG	31,000,000	5,000
Worker's compensation - NJSIG	3,000,000	-
Statutory Plus Supplement		
Public Official Bonds - Selective Insurance Company:		
Treasurer of School Monies	250,000	
Board Secretary/Business Administration	175,000	
Cyber Insurnace - NJSIG	2,000,000	Variuos
Pollution Liability - NJSIG	1,000,000	50,000
Pollution (Mold)	1,000,000	10,000
Source: District Records		

SINGLE AUDIT SECTION



K-1

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

Honorable President and
Members of the Board of Education
Beverly City School District
County of Burlington
Beverly, New Jersey 08010

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of the Beverly City School District basic financial statements, and have issued our report thereon dated October 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

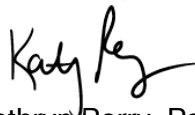
As part of obtaining reasonable assurance about whether the Beverly City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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

Respectfully Submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
October 25, 2023



K-2

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

Honorable President and
Members of the Board of Education
Beverly City School District
County of Burlington
Beverly, New Jersey 08010

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

We have audited Beverly City School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Beverly City School District's major federal and state programs for the year ended June 30, 2023. Beverly City School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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. However, material weaknesses or significant deficiencies may exist that were not identified

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

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

Respectfully submitted,

Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

Toms River, New Jersey
October 25, 2023

BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023			
				From	To					Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education													
General Fund:													
Medical Assistance Program	93.778	2305NJ5MAP	36,513	7/1/2022	6/30/2023	\$ -	\$ 36,513	\$ (36,513)	\$ -	\$ -	\$ -	\$ -	
Impact Aid	84.041		10,006	7/1/2022	6/30/2023	-	10,006	(10,006)	-	-	-	-	
						-	46,519	(46,519)	-	-	-	-	
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Food Service Fund:													
Food Distribution Program	10.565	231NJ304N1099	47,566	7/1/2022	6/30/2023	-	47,566	(47,566)	-	-	-	-	
Child Nutrition Cluster:													
Supply Chain Assistance Funding	10.555	231NJ304N1099	31,137	7/1/2022	6/30/2023	-	31,137	(31,137)	-	-	-	-	
National School Lunch Program	10.555	231NJ304N1099	143,622	7/1/2022	6/30/2023	-	145,227	(143,622)	-	-	-	1,605	
National School Breakfast Program	10.553	231NJ304N1099	67,804	7/1/2022	6/30/2023	-	67,804	(67,804)	-	-	-	-	
Summer Food Service for Children	10.559	221NJ304N1099	279,194	7/1/2022	6/30/2022	(18,928)	18,928	-	-	-	-	-	
Subtotal of Child Nutrition Cluster						(18,928)	263,096	(242,563)	-	-	-	1,605	
Total Food Service Fund						(18,928)	310,662	(290,129)	-	-	-	1,605	
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Special Education Cluster													
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	3,848	7/1/2022	6/30/2023	-	3,848	(3,848)	-	-	-	-	
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	3,410	7/1/2021	6/30/2022	(3,410)	3,410	-	-	-	-	-	
I.D.E.A. Part B, Preschool	84.173	H173A210114	122,570	7/1/2021	6/30/2022	(37,695)	37,695	-	-	-	-	-	
I.D.E.A. Part B, Preschool	84.173	H173A210114	128,124	7/1/2022	6/30/2023	-	128,124	(128,124)	-	-	-	-	
Subtotal of Special Education Cluster						(41,105)	173,077	(131,972)	-	-	-	-	
Title I, Part A	84.010	S010A220030	125,106	7/1/2022	6/30/2023	-	125,106	(125,106)	-	-	-	-	
Title II, Part A	84.168	S367A220029	11,715	7/1/2022	6/30/2023	-	11,715	(11,715)	-	-	-	-	
Title IV	84.424	S424A220031	11,520	7/1/2022	6/30/2023	-	11,250	(11,520)	-	(270)	-	-	
Elementary and Secondary Education Cluster:													
ARP ESSER	84.425U	S425U210027	1,219,868	7/1/2022	6/30/2023	-	721,368	(826,156)	-	(104,788)	-	-	
ARP Accelerated Learning Coach and Educator Support	84.425U	S425U210027	50,000	7/1/2022	6/30/2023	-	45,000	(45,000)	-	-	-	-	
ARP Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	7/1/2022	6/30/2023	-	24,274	(25,096)	-	(822)	-	-	
ARP NJTSS Mental Health Support Staffing	84.425U	S425U210027	88,501	7/1/2022	6/30/2023	-	88,501	(88,501)	-	-	-	-	
ARP Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	7/1/2022	6/30/2023	-	36,500	(36,500)	-	-	-	-	
Subtotal Elementary and Secondary Education Cluster						-	915,643	(1,021,253)	-	(105,610)	-	-	
Total Special Revenue Fund						(41,105)	1,236,791	(1,301,566)	-	(105,880)	-	-	
						\$ (60,033)	\$ 1,593,972	\$ (1,638,214)	\$ -	\$ (105,880)	\$ -	\$ 1,605	

See accompanying notes to schedules of expenditures.

BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022			Balance at June 30, 2023			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Transportation Aid	23-495-034-5120-014	\$ 193,173	7/1/2022	6/30/2023	\$ -	\$ 174,083	\$ (193,173)	\$ -	\$ -	\$ -	\$ 19,090	\$ 193,173
Special Education Aid	23-495-034-5120-012	182,606	7/1/2022	6/30/2023	-	164,560	(182,606)	-	-	-	18,046	182,606
Equalization Aid	23-495-034-5120-078	4,452,104	7/1/2022	6/30/2023	-	4,012,131	(4,452,104)	-	-	-	439,973	4,452,104
Extraordinary Aid	22-495-034-5120-044	146,092	7/1/2021	6/30/2022	(146,092)	146,092	-	-	-	-	-	-
Extraordinary Aid	23-495-034-5120-044	189,349	7/1/2022	6/30/2023	-	-	(189,349)	(189,349)	-	-	-	189,349
Security Aid	23-495-034-5120-084	105,269	7/1/2022	6/30/2023	-	94,865	(105,269)	-	-	-	10,404	105,269
Adjustment Aid	23-495-034-5120-085	758,309	7/1/2022	6/30/2023	-	683,371	(758,309)	-	-	-	74,938	758,309
Non-Public Transportation	22-495-034-5120-014	6,960	7/1/2020	6/30/2021	(6,960)	6,960	-	-	-	-	-	-
Non-Public Transportation	23-495-034-5120-014	5,928	7/1/2022	6/30/2023	-	-	(5,928)	(5,928)	-	-	-	5,928
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	986,743	7/1/2022	6/30/2023	-	986,743	(986,743)	-	-	-	-	986,743
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	259,215	7/1/2022	6/30/2023	-	259,215	(259,215)	-	-	-	-	259,215
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	622	7/1/2022	6/30/2023	-	622	(622)	-	-	-	-	622
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	223,578	7/1/2022	6/30/2023	-	212,432	(223,578)	(11,146)	-	-	-	223,578
Total General Fund					(153,052)	6,741,074	(7,356,896)	(206,423)	-	-	562,451	7,356,896
Special Revenue Fund:												
SDA Emergency	23-100-034-5120-519	8,079	7/1/2022	6/30/2023	-	8,079	(8,079)	-	-	-	-	8,079
Climate Awareness Education Grant	23-100-034-5063-359	6,660	7/1/2022	6/30/2023	-	-	(6,660)	(6,660)	-	-	-	6,660
Preschool Education Aid	23-495-034-5120-086	740,340	7/1/2022	6/30/2023	-	740,340	(740,340)	-	-	-	-	740,340
Total Special Revenue Fund					-	748,419	(755,079)	(6,660)	-	-	-	755,079
Food Service Fund:												
National School Lunch Program (State Shared)	23-100-010-3360-067	3,053	7/1/2022	6/30/2023	-	3,053	(3,053)	-	-	-	-	-
National School Lunch Program (State Shared)	22-100-010-3360-067	4,554	7/1/2021	6/30/2022	(299)	299	-	-	-	-	-	-
Total Food Services Fund					(299)	3,352	(3,053)	-	-	-	-	-
Total State Financial Assistance for testing					\$ (153,351)	\$ 7,492,845	\$ (8,115,028)	\$ (213,083)	\$ -	\$ -	\$ 562,451	\$ 8,111,975
State Financial Assistance Not Subject to Single Audit Determination												
General Fund:												
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	986,743	7/1/2022	6/30/2023	-	986,743	(986,743)	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	23-495-034-5094-001	259,215	7/1/2022	6/30/2023	-	259,215	(259,215)	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	622	7/1/2022	6/30/2023	-	622	(622)	-	-	-	-	-
Total State Financial Assistance Not Subject to Single Audit Determination					-	1,246,580	(1,246,580)	-	-	-	-	-
Total State Financial Assistance					\$ (153,351)	\$ 6,246,265	\$ (6,868,448)	\$ (213,083)	\$ -	\$ -	\$ 562,451	\$ 8,111,975

See accompanying notes to schedules of expenditures.

Beverly City School District

Notes to the Schedules of Awards and Financial Assistance

June 30, 2023

1. General

The accompanying schedules of expenditures of award present the activity of all federal and state awards of the Beverly City School District. The Board of Education is defined in Note 1(A) to the Board's general purpose financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements.

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Beverly City School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2023

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,117,453) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 46,519	\$ 6,239,443	\$ 6,285,962
Special Revenue Fund	1,301,566	755,079	2,056,645
Capital Projects Fund	-	-	-
Food Service Fund	<u>242,563</u>	<u>3,053</u>	<u>245,616</u>
Total awards and financial assistance	\$ <u>1,590,648</u>	\$ <u>6,997,575</u>	\$ <u>8,588,223</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2023.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Beverly City School District
Schedule of Findings and Questioned Costs

June 30, 2023

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- | | | | |
|----|--|----------|-------------------|
| 1) | Material weakness(es) identified? | _____yes | _X_ no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____yes | _X_ none reported |

Noncompliance material to general-purpose financial statements noted?	_____yes	_X_ no
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Federal Awards Section

Internal Control over major programs:

- | | | | |
|----|--|----------|-------------------|
| 1) | Material weakness(es) identified? | _____yes | _x_ no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____yes | _x_ none reported |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?	_____yes	__x__ no
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Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

Elementary and Secondary Education Cluster:

84.425U

American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

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

Auditee qualified as low-risk auditee?	_____yes	_x_ no
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Beverly City School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2023

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

State Awards Section

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

Auditee qualified as low-risk auditee? Yes

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

Internal Control over major programs:

1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	<u> </u> yes	<u> X </u> no
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Identification of major programs:

GMIS Number(s)	Name of State Program
<u>State Aid-Public Cluster</u>	
495-034-5020-078	Equalization Aid
495-034-5020-085	Adjustment Aid
495-034-5020-089	Special Education Aid
495-034-5020-084	Security Aid

Section II - Financial Statements Findings - N/A**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A**

Beverly City School District
Summary Schedule of Prior Audit Findings
June 30, 2023

Summary Schedule of Prior Audit Findings - N/A