

SCHOOL DISTRICT
OF
BLOOMSBURY BOROUGH

Bloomsbury Borough School District
Board of Education
Bloomsbury, Hunterdon County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Bloomsbury Borough School District

Board of Education

Bloomsbury, New Jersey

For the Fiscal Year Ending June 30, 2023

Prepared by

Bloomsbury Borough School District

Board of Education

Finance Department

OUTLINE OF ACFR

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Introductory Section

Bloomsbury Elementary School

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Dr. Jenniffer Marycz
Superintendent

Tim Mantz
Business Administrator/Board Secretary

Honorable President and
Members of the Board of Education
Borough of Bloomsbury School District
County of Hunterdon, New Jersey

Dear Board of Education Members:

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

The Annual 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 general purpose financial statements and schedules, financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and The U.S. Office of Management Uniform Guidance and New Jersey Budget Circular Letter 15-08, "Single Audit policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the single audit, including the auditor's report on the internal structure in compliance with applicable laws, regulations and findings and recommendations, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: Borough of Bloomsbury 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 Bloomsbury Board of education and all its schools constitute the District's reporting entity.

ECONOMIC CONDITION AND OUTLOOK: Bloomsbury Borough continues to be predominantly residential in nature with a few small businesses and one larger enterprise

remaining (Union 76 Truck Stop) within its political boundaries. While surrounding townships are experiencing growth, prospects are slight for significant expansion of either residential or commercial development in Bloomsbury due to the Borough's small land area of .56 square miles. Thus the tax base for both municipal and school purposes remains relatively constant with the bulk of the taxes being paid by local residential property owners. Both the Board of Education and the municipal government have struggled over the past several years with providing quality services with limited fiscal resources.

MAJOR INITIATIVES:

The 2022-2023 school year still continued to feel the effects of COVID on our students. The district remained in person five days per week for full days throughout the entire year. Although the threat was less and normalcy increased, student absences increased as immune systems were weak. Our district made every effort to ensure instruction went without interruption and students maintained a normal rate of study. We were 1:1 with Chromebooks and brand new Promethean boards in the classrooms. Students had the option to bring the devices home with them nightly. We also provided additional laptops to families in need. We also made use of the Zoom for Education platform for online education. We utilized online textbooks, ALEKS, Math Seeds, Reading Eggs, Class Kick, EdPuzzle, Graphic Tablets, and Google in an authentic way. Middle School students utilized an online banking system as part of a classroom management tool. This tied directly into our financial literacy courses. All classrooms, from Kindergarten through eighth grade, authentically incorporated Google Suite of Applications and various applications into daily lessons. Padlet, Seesaw, virtual goggles, sphero robots, ALEKS, coding, and various technological tools are utilized daily. Primary grades focused on flexible groupings for math and ELA within grade levels as a means to challenge students and provide advanced, differentiated instruction. Technology classes, guided reading/math groups, typing classes, flexible grouping writing workshop, Civics classes, and financial literacy classes have all been successfully implemented into the middle school curriculum. The faculty also focused on continuing to write strong Student Growth Objectives that raise the bar of expectations for students, creating benchmark assessments highlighting student growth and progress, as well as monitoring and adjusting curriculum that is consistently aligned with the New Jersey Student Learning standards, as well as the Next Generation Science standards. We also continue to update and adjust our curriculum and units to the 2022 state mandated requirements to meet all regulations for our next QSAC review. We passed our 2022 QSAC review. Our main goal with our PLCs continues to focus on streamlining our literacy and math programs for PK-8. With new textbooks in both areas, teachers worked together to ensure learning curves from grade to grade were eliminated and teaching tools and strategies were developmentally aligned. They built their units around the new textbooks and mapped curriculum from grade to grade to ensure all grades were compatible and were cohesive with one another. In addition, we continue this collaboration through the PLC of Science of Reading and Math articulation. We continue to work with like-size districts to align curriculum and undergo bias training this August. The district continued to make opportunities available for community and family members to participate during the school year through various programs such as school plays, academic sessions, learning

academies, concerts, scavenger hunts, Halloween hangouts, student Penny War fundraiser, t-shirt tie dying, hands-on exploration and labs in the classroom, and other various PTO events such as service learning projects, as well as opportunities to share student academic achievements through academic carnivals and Honor Roll luncheons, biography presentations, showcases, kindergarten mystery readers, career presentations by parents, and Board of Education meetings. In terms of technology, the school continued to utilize our voice blast system and Facebook page to provide positive, instant communication to parents regarding updates, emergencies, and outreach messages. More sensory hallways were installed to assist students with social emotional learning since the initial installation was a huge success. The school continued with an all-electronic communication school year doing away with excess paper and copies. All textbooks and resources are also online for parent and student access from home. Parents continue to embrace the virtual backpack, Facebook, and using OnCourse Connect as a means of staying up to date with their child's progress in school. The faculty continues to embrace the use of an online syllabus for students and parents to utilize throughout the year to always stay abreast of what was occurring in classes whether in person or online. We continue to evaluate our teaching practices to look for ways to improve and assist our students with their academic progress.

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 the responsibility of sound financial management.

CASH MANAGEMENT: The inventory policy of the District is guided in large part by the State Statute as detailed in "Notes to the Financial Statement," Note 2. 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 Units 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 funds are secured in accordance with the Act.

RISK MANAGEMENT: The Board carried various forms of insurance including, but not limited to general liability, automotive liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION: Independent audit – State Statutes requires an annual audit by independent certified accountants or registered municipal accountants. The accounting firm of Ardito and Company was selected by the Board's finance committee. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related Uniform Guidance and State Treasury Circular Letter 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements related specifically to the Single Audit are included in the Single Audit section of this report.

ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Bloomsbury Board of Education for their concern in providing fiscal accountability to the citizens and tax payers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

**Dr. Jenniffer
Marycz**

Digitally signed by Dr. Jenniffer Marycz
DN: cn=Dr. Jenniffer Marycz, o=Bloomsbury
School District, ou=Chief School Administrator,
email=jmarycz@bburyes.org, c=US
Date: 2023.07.31 13:20:13 -04'00'

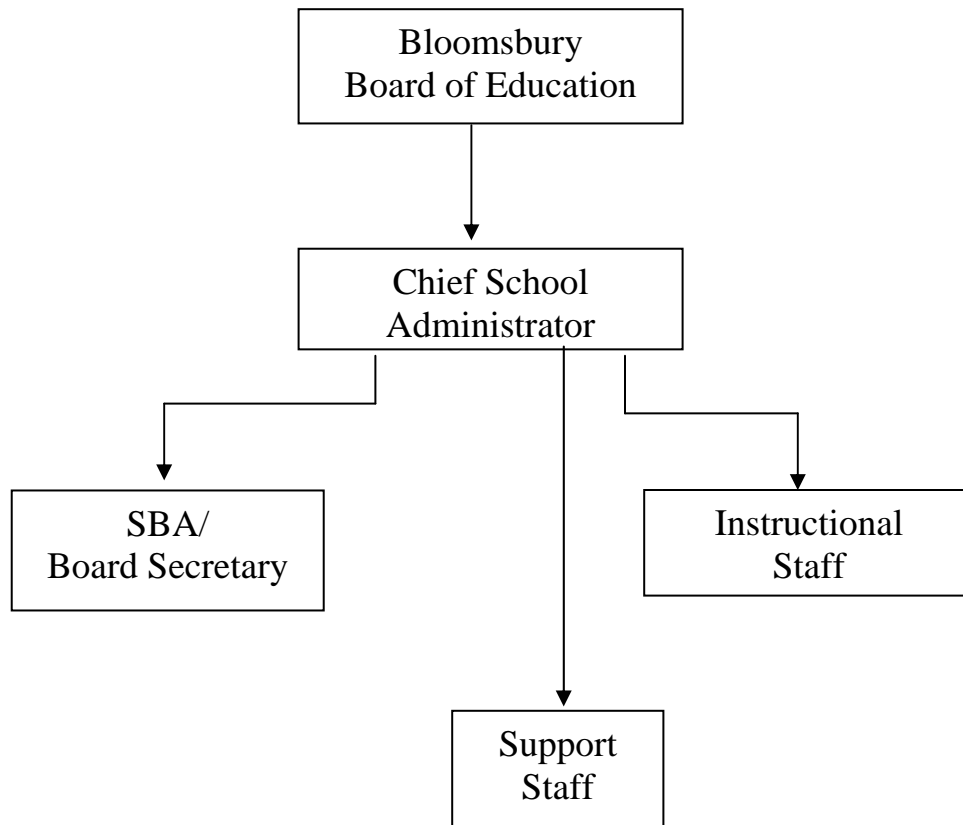
Dr. Jenniffer Marycz, Chief School Administrator



Tim Mantz, School Business Administrator

Bloomsbury Board of Education

Organization Chart 2022-2023



**BLOOMSBURY BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniela Albright, <i>President</i>	2023
Kaydeon Whidbee, <i>Vice-President</i>	2024
John Albright	2024
Gabriel Lyons	2025
John Tufaro	2025

Other Officials

Dr. Jenniffer Marycz, *Chief School Administrator*

Tim Mantz, *School Business Administrator/Board Secretary*

Patti Fischer, *Treasurer*

**BLOOMSBURY BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Ardito & Company LLC
1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825

BOARD ATTORNEY

Comegno Law Group P.C.
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

OFFICIAL DEPOSITORIES

PNC Bank
Bloomsbury, New Jersey 08804

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

1110 Harrison Street, Suite C
Frenchtown, New Jersey 08825-1192
908-996-4711 Fax: 908-996-4688
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Bloomsbury Borough School District
County of Hunterdon
Bloomsbury Borough, New Jersey 07830

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bloomsbury Borough School District Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bloomsbury Borough School District Board of Education, 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 the Bloomsbury Borough School District Board of Education, 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bloomsbury Borough School District Board of Education's basic financial statements. The combining and individual non-

-Continued-

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$135,869 which represents a 9.5% increase from 2022.
- ◆ General revenues accounted for \$1,955,604 in revenue or 56.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,523,848 or 43.8% of total revenues of \$3,479,452.
- ◆ Total assets of governmental activities decreased by \$86,372, as cash and cash equivalents increased by \$87,056, receivables decreased by \$164,840, and capital assets decreased by \$8,588.
- ◆ The School District had \$3,343,583 in expenses; only \$1,523,848 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$1,955,604 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$3,537,640 in revenues and \$3,474,967 in expenditures. The General Fund's surplus balance increased \$62,673 over 2022, which compares favorably to the budgeted decrease of \$763,877.

Using this Generally Accepted Accounting Principals Report (GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bloomsbury Borough School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Bloomsbury Borough School District, the General Fund is by far the most significant fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 24. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s Net Position for 2023 compared to 2022.

**Table 1
Net Position**

	<u>2023</u>	<u>2022</u>
Assets		
Current and Other Assets	\$ 1,972,786	\$ 2,050,570
Capital Assets	<u>87,625</u>	<u>96,213</u>
Total Assets	<u>2,060,411</u>	<u>2,146,783</u>
Deferred Outflows of Resources	<u>113,933</u>	<u>14,820</u>
Liabilities		
Long-Term Liabilities	231,807	128,767
Other Liabilities	<u>247,820</u>	<u>384,914</u>
Total Liabilities	<u>479,627</u>	<u>513,681</u>
Deferred Inflows of Resources	<u>130,868</u>	<u>219,942</u>
Net Position		
Invested in Capital Assets, Net of Debt	87,625	96,213
Restricted	1,545,589	1,472,451
Unrestricted	<u>(69,365)</u>	<u>(140,684)</u>
Total Net Position	<u>\$ 1,563,849</u>	<u>\$ 1,427,980</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Total assets of governmental activities decreased by \$86,372, as cash and cash equivalents increased by \$87,056, receivables decreased by \$164,840, and capital assets decreased by \$8,588.

The cash increase was mainly due to efficient budget operations. Receivables decreased due to ARP and CRRSA COVID grants spending in the prior year that was collected in the current year, and Capital assets decreased due to depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 38,734	\$ 30,560
Operating Grants and Contributions	1,485,114	1,458,744
General Revenues:		
Property Taxes	1,955,338	1,916,998
Federal & State Aid on Capital Asset Projects		
Investment Earnings	189	165
Other	<u>77</u>	<u>1,923</u>
Total Revenues	<u>3,479,452</u>	<u>3,408,390</u>
Program Expenses		
Instruction	1,832,614	1,631,055
Support Services:		
Tuition	457,861	347,529
Pupils and Instructional Staff	446,128	438,380
General Administration, School Administration, Business	214,905	211,432
Operations and Maintenance of Facilities	263,707	252,222
Pupil Transportation	71,611	43,931
Business-Type Activities	56,219	89,509
Interest and Fiscal Charges	<u>538</u>	<u>538</u>
Total Expenses	<u>3,343,583</u>	<u>3,014,596</u>
Increase in Net Position	<u>\$ 135,869</u>	<u>\$ 393,794</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 56.2% percent of revenues for governmental activities for the Bloomsbury Borough School District for the fiscal year 2023.

Instruction comprises 54.8% of district expenses. Support services expenses make up 43.5% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 1,832,614	\$ 994,286	\$ 1,631,055	\$ 842,264
Support Services:				
Tuition	457,861	284,680	347,529	203,688
Pupils and Instructional Staff	446,128	191,062	438,380	188,005
General Admin., School Admin., Business	214,905	133,619	211,432	123,922
Operation and Maintenance of Facilities	263,707	163,963	252,222	147,828
Pupil Transportation	71,611	44,525	43,931	25,748
Business-Type Activities	56,219	7,062	89,509	(6,701)
Interest and Fiscal Charges	538	538	538	538
Total Expenses	<u>\$ 3,343,583</u>	<u>\$ 1,819,735</u>	<u>\$ 3,014,596</u>	<u>\$ 1,525,292</u>

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

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

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 54.3% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 56.2%. The community, as a whole, is the primary support for the Bloomsbury Borough School District.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$3,759,127 and expenditures of \$3,692,755. The General Fund's surplus balance increased \$62,673 over 2022, which compares favorably to the budgeted decrease of \$763,877.

General Fund Budgeting Highlights

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

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$2,906,158, \$640 over original budgeted estimates of \$2,905,518. This difference was primarily due to unbudgeted non-public transportation aid revenue.

General fund revenues exceeded expenditures by \$67,517. Again this surplus compares to a budgeted deficit of \$763,877, which was due to the budgeted use of surplus needed to balance the 2022-2023 budget. The budgeted deficit was reduced due to under spending compared to the operating budget.

Overall general fund balance (budget basis) was \$1,782,957, and amounts ear-marked and reserved for future purposes were \$1,532,333, creating a surplus in unreserved fund balance of \$250,624. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

Capital Assets

At the end of the fiscal year 2023, the School District had \$87,625 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

Table 4
Capital Assets (Net of Depreciation) at June 30,

	<u>2023</u>	<u>2022</u>
Land	\$ 79,200	\$ 79,200
Land Improvements		
Buildings and Improvements	12,420	15,180
Machinery and Equipment	<u>(3,995)</u>	<u>1,833</u>
Totals	<u>\$ 87,625</u>	<u>\$ 96,213</u>

Overall capital assets decreased \$8,588 from fiscal year 2022 to fiscal year 2023. The decrease in capital assets was due to depreciation expense for the year.

Capital improvements of \$0 were purchased during fiscal year 2023.

Debt Administration

At June 30, 2023, the School District had \$16,000 as outstanding long term debt. Of this amount, \$16,000 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$3,138,323 and the unvoted debt margin was the same.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

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

For the Future

The Bloomsbury Borough School District is in very good financial condition presently. A major concern is with heavy reliance on local property taxes to fund the school's operations.

In conclusion, the Bloomsbury Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Tim Mantz, School Business Administrator/ Board Secretary at Bloomsbury Borough School District, 20 Main Street, Bloomsbury, NJ 08804.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,830,860	\$ 13,031	\$ 1,843,891
Receivables from Other Governments	120,106	1,194	121,300
Interfund Receivables	2,224		2,224
Inventory		1,926	1,926
Restricted Assets:			
Capital and Emergency Reserve Cash	3,445		3,445
Capital Assets, Net (Note 4):	87,625		87,625
Total Assets	<u>2,044,260</u>	<u>16,151</u>	<u>2,060,411</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	<u>113,933</u>		<u>113,933</u>
LIABILITIES			
Interfund Payables		2,224	2,224
Accounts Payable		762	762
Payroll Liabilities	115,927		115,927
Net Pension Liability	215,807		215,807
Unearned Revenue	128,183	724	128,907
Noncurrent Liabilities (Note 5):			
Due Within One Year	-		-
Due Beyond One Year	16,000		16,000
Total Liabilities	<u>475,917</u>	<u>3,710</u>	<u>479,627</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	<u>130,868</u>		<u>130,868</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	87,625		87,625
Restricted for:			
Other Purposes	1,545,589		1,545,589
Unrestricted	(81,806)	12,441	(69,365)
Total Net Position	<u>\$ 1,551,408</u>	<u>\$ 12,441</u>	<u>\$ 1,563,849</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	\$ 1,389,134	\$ 10,000	\$ 660,587		\$ (718,547)		\$ (718,547)
Special Education	424,977		160,742		(264,235)		(264,235)
Other Special Instruction	18,503		6,999		(11,504)		(11,504)
Support Services:							
Tuition	457,861		173,181		(284,680)		(284,680)
Student & Instruction Related Serv.	446,128	14,944	240,122		(191,062)		(191,062)
School Administrative Services	21,766		8,233		(13,533)		(13,533)
General and Business Admin. Serv.	193,139		73,053		(120,086)		(120,086)
Plant Operations and Maintenance	263,707		99,744		(163,963)		(163,963)
Pupil Transportation	71,611		27,086		(44,525)		(44,525)
Interest and Other Fiscal Charges	538				(538)		(538)
Total Governmental Activities	3,287,364	24,944	1,449,747	-	(1,812,673)	-	(1,812,673)
Business-Type Activities:							
Food Service	56,219	13,790	35,367			\$ (7,062)	(7,062)
Child Care	-	-	-			-	-
Total Business-Type Activities	56,219	13,790	35,367	-	-	(7,062)	(7,062)
Total Primary Government	\$ 3,343,583	\$ 38,734	\$ 1,485,114	-	\$ (1,812,673)	\$ (7,062)	\$ (1,819,735)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 1,955,338		\$ 1,955,338
Investment Earnings					189		189
Miscellaneous Income					77		77
Transfers					-		-
Total General Revenues, Special Items, Extraor. Items and Transfers					1,955,604		1,955,604
Change in Net Position					142,931	(7,062)	135,869
Net Position—Beginning					1,408,477	19,503	1,427,980
Prior Period Adjustments							
Net Position—Beginning (Restated)					1,408,477	19,503	1,427,980
Net Position—Ending					\$ 1,551,408	\$ 12,441	\$ 1,563,849

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	\$ 1,814,101	\$ 20,204	\$ 1,834,305
Receivables from Other Governments	5,426	114,680	120,106
Interfund Receivable	-	2,224	2,224
TOTAL ASSETS	<u>\$ 1,819,527</u>	<u>\$ 137,108</u>	<u>\$ 1,956,635</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable			\$ -
Payroll Liabilities	\$ 115,927		115,927
Unearned Revenue	10,556	117,627	128,183
Total Liabilities	<u>126,483</u>	<u>117,627</u>	<u>244,110</u>
Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	3,445		3,445
Excess Surplus	832,736		832,736
Excess Surplus - Designated for Subsequent Year's Expenditures	689,347		689,347
Student Activities		19,481	19,481
<u>Assigned to:</u>			
Year-End Encumbrances	6,225		6,225
Designated for Subsequent Year's Expenditures	580		580
<u>Unassigned:</u>			
General Fund	160,711		160,711
Total Fund Balances	<u>1,693,044</u>	<u>19,481</u>	<u>1,712,525</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,819,527</u>	<u>\$ 137,108</u>	<u>\$ 1,956,635</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. The cost of the assets is \$469,921 and the accumulated depreciation is \$382,296. (See Note 4)	\$ 87,625
Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not report in the fund statements. (See Note 6)	113,933
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and othe deferred items are not reported as liabilities in the fund statements. (See Note 6)	(130,868)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)	(215,807)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5)	(16,000)
Net Position of governmental activities	<u>\$ 1,551,408</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources:			
Local Tax Levy	\$ 1,955,338		\$ 1,955,338
Tuition	10,000		10,000
Miscellaneous	266	\$ 14,944	15,210
Total - Local Sources	<u>1,965,604</u>	<u>14,944</u>	<u>1,980,548</u>
State Sources	1,572,036	6,660	1,578,696
Federal Sources		199,883	199,883
Total Revenues	<u>3,537,640</u>	<u>221,487</u>	<u>3,759,127</u>
EXPENDITURES			
Current:			
Regular Instruction	1,138,371	146,409	1,284,780
Special Education Instruction	393,896		393,896
Other Special Instruction	17,150		17,150
Support services and undistributed costs:			
Tuition	424,376		424,376
Student and Instruction Related Services	347,155	71,379	418,534
School Administrative Services	14,346		14,346
Other Administrative Services	179,014		179,014
Plant Operations and Maintenance	257,421		257,421
Pupil Transportation	66,374		66,374
Unallocated Benefits	636,326		636,326
Capital Outlay	538		538
Total Expenditures	<u>3,474,967</u>	<u>217,788</u>	<u>3,692,755</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>62,673</u>	<u>3,699</u>	<u>66,372</u>
Fund Balance—July 1	1,630,371	15,782	1,646,153
Prior Period Adjustment	-	-	-
Fund Balance—July 1 (Restated)	<u>1,630,371</u>	<u>15,782</u>	<u>1,646,153</u>
Fund Balance—June 30	<u>\$ 1,693,044</u>	<u>\$ 19,481</u>	<u>\$ 1,712,525</u>

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit B-3

**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) \$ 66,372

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	\$ (8,588)	
Capital Outlays	<u> -</u>	(8,588)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

77,147

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

8,000

Change in Net Position of Governmental Activities \$ 142,931

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

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities- Enterprise Funds		
	<u>Food Service</u>	<u>Child Care</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 12,337	\$ 694	\$ 13,031
Accounts Receivable-Federal and State	1,194		1,194
Inventories	1,926		1,926
Total Current Assets	15,457	694	16,151
Noncurrent Assets:			
Furniture, Machinery and Equipment	27,908		27,908
Less Accumulated Depreciation	(27,908)		(27,908)
Total Noncurrent Assets			
Total Assets	15,457	694	16,151
LIABILITIES			
Current liabilities:			
Accounts Payable	762		762
Interfund Payable - Special Revenue Fund	2,224		2,224
Deferred Revenue	724		724
Total Current Liabilities	3,710		3,710
Total Liabilities	3,710		3,710
NET POSITION			
Invested in Capital Assets Net of Related Debt	-	-	-
Unrestricted	11,747	694	12,441
Total Net Position	\$ 11,747	\$ 694	\$ 12,441

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

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

	Business-type Activities - Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 6,290		\$ 6,290
Daily Sales - Non-Reimb Programs	7,500		7,500
Miscellaneous	-		-
Total Operating Revenues	13,790		13,790
Operating Expenses:			
Cost of Sales - Reimbursable Programs	7,349		7,349
Cost of Sales - Non-reimbursable Programs	6,934		6,934
Salaries	26,252		26,252
Benefits	4,619		4,619
Management Fee	7,000		7,000
Other Purchased Professional Services	4,065		4,065
Total Operating Expenses	56,219		56,219
Operating Income (Loss)	(42,429)		(42,429)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	347		347
Federal Sources:			
National School Lunch Program	13,550		13,550
Supply Chain Assistance	19,609		19,609
Food Distribution Program	1,861		1,861
Total Nonoperating Revenues (Expenses)	35,367		35,367
Income (Loss) Before Contributions and Transfers	(7,062)		(7,062)
Transfers In (Out)			-
Total Net Position—Beginning	18,809	\$ 694	19,503
Total Net Position—Ending	\$ 11,747	\$ 694	\$ 12,441

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	Business-Type Activities- Enterprise Funds		
	Food Service	Child Care	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 13,790		\$ 13,790
Payments to Employees	(26,252)		(26,252)
Payments for Employee Benefits	(4,618)		(4,618)
Payments to Suppliers	(24,141)		(24,141)
Net Cash Provided by (used for) Operating Activities	(41,221)		(41,221)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	370		370
Federal Sources	35,853		35,853
Operating Subsidies and Transfers to Other Funds	-		
Net Cash Provided by (used for) Non-Capital Financing Activities	36,223		36,223
Net Increase (Decrease) in Cash and Cash Equivalents	(4,998)		(4,998)
Balances—Beginning of Year	17,335	\$ 694	18,029
Balances—End of Year	\$ 12,337	\$ 694	\$ 13,031
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (42,429)	-	\$ (42,429)
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization			
Federal Commodities	1,861		1,861
(Increase) Decrease in Accounts Receivable			
(Increase) Decrease in Inventories	(868)		(868)
Increase (Decrease) in Accounts Payables	215		215
Total Adjustments	1,208		1,208
Net Cash Provided by (used for) Operating Activities	\$ (41,221)	-	\$ (41,221)

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

Notes to Financial Statements

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Bloomsbury Borough School District (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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

A. Reporting Entity:

The Bloomsbury Borough School District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Bloomsbury Borough School District had an approximate enrollment at June 30, 2023, of 97 students.

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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.

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School 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 School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, 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 in accordance with the option noted in GASB No.34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

GOVERNMENTAL FUNDS

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 expendable 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 subfund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting (Continued):

GOVERNMENTAL FUNDS (Continued)

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

Special Revenue Fund - The Special Revenue Fund is used to account for the 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.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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 goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

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 and include the Student Activities Fund, and Payroll Agency Fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. **Basis of Presentation, Basis of Accounting (Continued):**

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 use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset 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.

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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 for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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.

D. Encumbrance Accounting:

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Assets, Liabilities and Equity:**

Cash and Cash Equivalents:

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

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 in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

Allowance for Uncollectible Accounts:

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

Capital Assets:

The District has established a 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 fair market 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. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Building Improvements	20
Vehicles	5
Office and Computer Equipment	5
Instructional Equipment	5
Grounds Equipment	5

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Accumulated vacation time must be used within the fiscal period and does not accrue. Sick leave benefits provide for ordinary sick pay that has been accumulated during employment by the board.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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

Deferred Revenue:

Deferred 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 subsequent fiscal year operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School 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.

Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues—Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

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 attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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.

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.

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS (Continued)

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	Cash and Cash <u>Equivalents(A-1)</u>	<u>Total</u>
Checking Accounts	<u>\$1,847,336</u>	<u>\$1,847,336</u>
	<u>\$1,847,336</u>	<u>\$1,847,336</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$1,847,336 and the bank balance was \$1,883,426. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,633,426 was covered by collateral pool.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3: RECEIVABLES

Receivables at June 30, 2023, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$ 5,426	\$ 5,468
Federal Aid	114,680	115,832
Other	-	-
Gross Receivable	<u>120,106</u>	<u>121,300</u>
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 120,106</u>	<u>\$ 121,300</u>

NOTE 4: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 79,200			\$ 79,200
Total Capital Assets Not Being Depreciated	<u>79,200</u>	-	-	<u>79,200</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Building Improvements	318,196			318,196
Machinery and Equipment	72,525			72,525
Total at Historical Cost	<u>390,721</u>	-	-	<u>390,721</u>
Less Accumulated Depreciation for:				
Building and Improvements	(303,016)	\$ (2,760)		(305,776)
Equipment	(70,692)	(5,828)		(76,520)
Total Accumulated Depreciation	<u>(373,708)</u>	<u>(8,588)</u>		<u>(382,296)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>(373,708)</u>	<u>(8,588)</u>	-	<u>(382,296)</u>
Government Activity Capital Assets, Net	\$ 96,213	\$ (8,588)	-	\$ 87,625

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 2,760
School Administration	<u>5,828</u>
Total	<u>\$ 8,588</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/22</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/23</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 24,000		\$ 8,000	\$ 16,000	-
Total Other Liabilities	\$ 24,000	-	8,000	\$ 16,000	-

Compensated absences and capital leases have been liquidated in the General Fund.

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

NOTE 6: DEFERRED COMPENSATION

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

Lincoln Investment Planning
AXA Equitable Equi-vest

NOTE 7: COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. Accumulated vacation time must be used within the fiscal period and does not accrue. Sick leave benefits provide for ordinary sick pay that has been accumulated during employment by the board.

In the district-wide *Statement of Assets*, 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 proprietary fund types.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Summary of Significant Accounting Policies - 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.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) 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 district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$5,250,225 as measured on June 30, 2022 and \$4,150,410 measured on June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$141,298 and revenue of \$141,298 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$4,150,410	\$5,250,225
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.008633%	0.010176%

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

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

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.

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

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% 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 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:

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

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

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current</u>	
<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>

State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329
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Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2022 was \$24,640,530,532.

Amortization of Deferred Outflows and Inflows of Resources - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amoounts) related to pensions will be recognized in the state's pension expense as follows:

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

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

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total ension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expens	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

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

Summary of Significant Accounting Policies - 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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

At June 30, 2023, the District reported a liability of \$215,807 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability 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 total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00144% which was an increase of 0.00055% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$51,438). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 1,558	\$ 1,374
Changes of assumptions	669	32,315
Net difference between projected and actual earnings on pension plan investments	8,932	-
Changes in proportion and differences between District contributions and proportionate share of contributions	84,741	97,179
District contributions subsequent to the measurement date	18,033	
Total	<u>\$ 113,933</u>	<u>\$ 130,868</u>

\$18,033 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2023	(\$28,731)
2024	(14,638)
2025	(7,138)
2026	15,573
2027	(34)
Total	<u>(\$34,968)</u>

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$104,767	\$215,807
District's proportion %	0.00088437%	0.00143000%

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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.

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 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>
US Equity	27.00%	8.12%
Non-US devel.markets equit	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	3.00%	4.91%

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

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

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

	<u>1% Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 277,249	\$215,807	\$ 163,518

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$34,236
Interest on total Pension liability	137,310
Benefit changes	398
Member contributions	(28,551)
Administrative expense	613
Expected investment return net of investment expenses	(91,659)
Pension expense related to specific liabilities of individual employers	(492)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	1,625
Changes in assumptions	(102,640)
Difference between projected and actual investment earnings on pension plan investments	<u>(2,280)</u>
Total pension expense	<u>(\$51,438)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

Defined Contribution Retirement Plan (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of 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.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

PERS and TPAF Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8: PENSION PLANS (Continued)

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee’s annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78’s effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems’ unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$18,033	100 %	-0-
6/30/2022	\$10,357	100	-0-
6/30/2021	\$15,838	100	-0-

Three-Year Trend Information for TPAF (Paid by the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2023	\$427,252	100 %	-0-
6/30/2022	\$425,043	100	-0-
6/30/2021	\$255,909	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$539,424 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$96,902 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

Note 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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 OPES 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.

State Health Benefit State Retired Employees Plan:

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 pre-fund, 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>.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

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.

Actuarial assumptions and other imputes. The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. 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 used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:	\$	50,646,462,966		
			<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases			2.75% to 4.25%	2.75% to 6.55%
				<u>PFRS</u>
				3.25% to 16.25%
			Based on service years	

(a) 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%.

(b) Discount Rate

The discount rate used to measure the total OPEB liability wa 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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.

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2021	\$60,007,650,970
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	<u>42,650,252</u>
Net changes	<u>(9,361,188,004)</u>
The State's Total OPEB Liability Balance at 6/30/2022	<u>\$50,646,462,966</u>

The State's total OPEB liability attributable to the District: \$5,654,081

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2022		
	At 1% Decrease <u>2.54%</u>	At Discount Rate <u>3.54%</u>	At 1% Increase <u>4.54%</u>
Total OPEB Liability (School Retirees)	\$59,529,589,697	\$50,646,462,966	\$43,527,080,995

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS-(Continued)

	June 30, 2021		
	<u>At 1% Decrease</u>	<u>At Discount Rate</u>	<u>At 1% Increase</u>
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2022		
	<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$41,862,397,291	\$50,646,462,966	\$62,184,866,635

	June 30, 2021		
	<u>At 1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$69,294 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 GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and 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:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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>
	<u>(\$14,892,216,713)</u>

NOTE 10: RISK MANAGEMENT

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

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.

NOTE 11: CONTINGENT LIABILITIES

GRANT PROGRAMS

The Board participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Board is potentially liable for any 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.

LITIGATION

The Board is not involved in claims and lawsuits incidental to its operations

NOTE 12: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$1,693,044 General Fund fund balance at June 30, 2023, \$1,522,083 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$689,347 of the total reserve for excess surplus was appropriated and included as anticipated revenue for the year ending June 30, 2024); \$580 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2023; \$3,445 is reserved in the Capital Reserve Account; \$6,225 is reserved for encumbrances; and \$160,711 is unreserved and undesignated.

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Bloomsbury Borough School District Board of Education by inclusion in prior budgets, 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13: CAPITAL RESERVE ACCOUNT - (Continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes 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. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The Capital Reserve had no activity for the July 1, 2021 to June 30, 2022 fiscal year.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023 (Exhibit B-1):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	-	
Special Revenue Fund	\$ 2,224	\$ -
Enterprise Fund		2,224
	<u>\$ 2,224</u>	<u>\$ 2,224</u>

The enterprise fund owes the special revenue fund for federal grant reimbursements received in the enterprise fund.

NOTE 15: 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 \$832,736.

NOTE 16: TAX ABATEMENTS

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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,955,338		\$ 1,955,338	\$ 1,955,338	
Tuition	10,000		10,000	10,000	-
Miscellaneous	250		250	266	\$ 16
Total - Local Sources	<u>1,965,588</u>	<u>-</u>	<u>1,965,588</u>	<u>1,965,604</u>	<u>16</u>
State Sources:					
Equalization Aid	591,878		591,878	591,878	
School Choice Aid	277,068		277,068	277,068	
Special Education Aid	70,984		70,984	70,984	
Other State Aid			-	624	624
TPAF Pension (On-Behalf - Non-Budgeted)				427,001	427,001
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				112,172	112,172
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				251	251
TPAF Social Security (Reimbursed - Non-Budgeted)				96,902	96,902
Total State Sources	<u>939,930</u>	<u>-</u>	<u>939,930</u>	<u>1,576,880</u>	<u>636,950</u>
TOTAL REVENUES	<u>2,905,518</u>	<u>-</u>	<u>2,905,518</u>	<u>3,542,484</u>	<u>636,966</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	58,961	-	58,961	56,995	1,966
Kindergarten - Salaries of Teachers	61,940	-	61,940	59,546	2,394
Grades 1-5 - Salaries of Teachers	487,681	-	487,681	477,565	10,116
Grades 6-8 - Salaries of Teachers	251,531	-	251,531	236,982	14,549
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	72,278	-	72,278	61,927	10,351
Social Security Contributions	14,000	-	14,000	12,236	1,764
Other Retirement Contributions - Regular	15,000	(3,780)	11,220	-	11,220
Unemployment Compensation	10,750	-	10,750	3,621	7,129
Workmen's Compensation	5,000	-	5,000	-	5,000
Health Benefits	331,113	-	331,113	50,368	280,745
Tuition Reimbursement	7,500	3,780	11,280	11,280	
Other Employee Benefits	5,500	-	5,500	3,302	2,198
Purchased Professional-Educational Services	35,000	-	35,000	28,332	6,668
Purchased Technical Services	21,750	-	21,750	6,596	15,154
Other Purchased Services (400-500 series)	41,750	60,802	102,552	71,794	30,758
General Supplies	70,305	3,180	73,485	56,237	17,248
Textbooks	60,000	(60,000)	-	-	-
Other Objects	1,750	-	1,750	1,590	160
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,551,809	3,982	1,555,791	1,138,371	417,420

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	252,716	9,479	262,195	262,195	
Unemployment Compensation	250	-	250	-	250
Health Benefits	131,701	-	131,701	131,701	
Total Resource Room/Resource Center	384,667	9,479	394,146	393,896	250
TOTAL SPECIAL EDUCATION - INSTRUCTION	384,667	9,479	394,146	393,896	250
School Sponsored Co/Extra Curricular Activities-Inst.:					
Salaries	20,000	-	20,000	17,150	2,850
Total School Sponsored Co/Extra Curricular Activities-Inst.	20,000	-	20,000	17,150	2,850
TOTAL INSTRUCTION	1,956,476	13,461	1,969,937	1,549,417	420,520
UNDISTRIBUTED EXPENDITURES					
Instruction:					
Tuition to Other LEAs Within the State-Regular	326,667	-	326,667	326,667	-
Tuition to Other LEAs Within the State-Special	40,000	15,686	55,686	55,686	-
Tuition to County Voc. District - Regular	8,834	-	8,834	1,753	7,081
Tuition to Priv. Sch. For the Disabled W/I State	128,714	(15,686)	113,028	-	113,028
Tuition - State Facilities	40,270	-	40,270	40,270	-
Total Instruction	544,485	-	544,485	424,376	120,109

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Health Services:					
Salaries	66,976	1,849	68,825	63,525	5,300
Unemployment Compensation	1,000	-	1,000	451	549
Workmen's Compensation	1,000	(1,000)	-	-	-
Purchased Professional and Technical Services	1,500	-	1,500	1,500	
Supplies and Materials	3,000	(849)	2,151	1,203	948
Total Health Services	<u>73,476</u>	<u>-</u>	<u>73,476</u>	<u>66,679</u>	<u>6,797</u>
Other Supp. Services Students-Related Services:					
Purchased Professional - Educational Services	100,000	(9,479)	90,521	1,777	88,744
Total Other Supp. Services Students-Related Services	<u>100,000</u>	<u>(9,479)</u>	<u>90,521</u>	<u>1,777</u>	<u>88,744</u>
Undist. Expend. - Other Supp. Serv. Students - Reg.					
Salaries of Other Professional Staff	58,297		58,297	57,510	787
Social Security Contributions	200	-	200	57	143
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	<u>58,497</u>	<u>-</u>	<u>58,497</u>	<u>57,567</u>	<u>930</u>
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	76,491	-	76,491	76,491	
Salaries of Secretarial and Clerical Assistants	36,742	-	36,742	34,795	1,947
Social Security Contributions	5,000	-	5,000	3,196	1,804
Other Retirement Contributions - Regular	7,500	-	7,500	5,033	2,467
Unemployment Compensation	750	-	750	554	196
Workmen's Compensation	2,000	-	2,000	-	2,000
Health Benefits	92,893	-	92,893	92,893	
Purchased Professional - Educational Services	6,000	-	6,000	3,675	2,325
Other Purchased Prof. and Tech. Services	2,500	-	2,500	-	2,500
Supplies and Materials	2,000	-	2,000	1,481	519
Total Other Supp. Services Students-Regular	<u>231,876</u>	<u>-</u>	<u>231,876</u>	<u>218,118</u>	<u>13,758</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Library & Media					
Supplies and Materials	1,500	-	1,500	980	520
Total Undist. Expend. - Library & Media	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>980</u>	<u>520</u>
Instructional Staff Training Services:					
Purchased Professional - Educational Services	5,000		5,000	2,034	2,966
Total Instructional Staff Training Services	<u>5,000</u>	<u></u>	<u>5,000</u>	<u>2,034</u>	<u>2,966</u>
Supp. Services - General Administration:					
Salaries	79,603	-	79,603	79,588	15
Unemployment Compensation	500	-	500	452	48
Legal Services	12,000	-	12,000	3,193	8,807
Audit Fees	11,250	-	11,250	10,982	268
BOE Other Purchased Services	3,000	-	3,000	-	3,000
Other Purchased Services (400-500 series)	10,000	117	10,117	9,326	791
Miscellaneous Expenditures	500	-	500	500	
BOE Membership Dues and Fees	5,050	-	5,050	4,973	77
Total Supp. Services - General Administration	<u>121,903</u>	<u>117</u>	<u>122,020</u>	<u>109,014</u>	<u>13,006</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Secretarial and Clerical Assistants	14,461	-	14,461	14,346	115
Total Support Services - School Administration	<u>14,461</u>	<u>-</u>	<u>14,461</u>	<u>14,346</u>	<u>115</u>
Central Services:					
Purchased Technical Services	70,000	-	70,000	70,000	-
Total Central Services	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	60,000	-	60,000	27,448	32,552
General Supplies	7,500	1,724	9,224	3,869	5,355
Total Required Maintenance for School Facilities	<u>67,500</u>	<u>1,724</u>	<u>69,224</u>	<u>31,317</u>	<u>37,907</u>
Other Operations and Maintenance of Plant:					
Social Security Contributions	12,000	-	12,000	8,914	3,086
Other Retirement Contributions - Regular	13,000	-	13,000	13,000	-
Unemployment Compensation	1,500	-	1,500	1,328	172
Health Benefits	38,808	-	38,808	38,808	-
Salaries	123,150	-	123,150	76,458	46,692
Purchased Professional and Technical Services	1,225	214	1,439	1,439	-
Cleaning, Repair and Maintenance Services	28,000	-	28,000	10,233	17,767
Other Purchased Property Services	3,000	-	3,000	2,671	329
Insurance	35,000	-	35,000	34,173	827
Miscellaneous Purchased Services	1,500	807	2,307	2,307	-
General Supplies	25,000	1,347	26,347	9,962	16,385
Energy (Natural Gas)	15,000	5,000	20,000	16,407	3,593
Energy (Electricity)	18,000	(5,000)	13,000	9,929	3,071
Other Objects	500	-	500	475	25
Total Other Operations and Maintenance of Plant	<u>315,683</u>	<u>2,368</u>	<u>318,051</u>	<u>226,104</u>	<u>91,947</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services				257,421	
Contracted.Services-Aid in Lieu of Payments-Non Public Sch.	11,000	(984)	10,016	5,314	4,702
Contracted Services (Between Home and School)-Vendors	34,000	16,097	50,097	50,097	
Contracted Services (Other than Bet.Home & School)-Vendors	5,000	18	5,018	5,018	-
Contracted Services (Special Education Students)-Vendors	55,000	(12,131)	42,869	5,945	36,924
Contracted Services (Reg. Students)-ESCs & CTSAs	3,000	(3,000)	-		-
Total Student Transportation Services	108,000	-	108,000	66,374	41,626
UNALLOCATED BENEFITS					
On-behalf TPAF pension Contrib. (non-budgeted)				427,001	(427,001)
On-behalf TPAF PRM Contrib. (non-budgeted)				112,172	(112,172)
On-behalf TPAF pension LTD Ins. (non-budgeted)				251	(251)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				96,902	(96,902)
TOTAL ON-BEHALF CONTRIBUTIONS				636,326	(636,326)
TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS	-	-	-	636,326	(636,326)
TOTAL UNDISTRIBUTED EXPENDITURES	1,712,381	(5,270)	1,707,111	1,925,012	(217,901)
TOTAL GENERAL CURRENT EXPENSE	3,668,857	8,191	3,677,048	3,474,429	202,619

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Facilities Acquisition and Construction:					
Assessment for Debt Service on SDA Funding	538	-	538	538	
Total Facilities Acquisition and Construction	538		538	538	
TOTAL CAPITAL OUTLAY	538		538	538	
TOTAL EXPENDITURES	3,669,395	8,191	3,677,586	3,474,967	202,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(763,877)	(8,191)	(772,068)	67,517	839,585
Other Financing Sources:					
Operating Transfer (In)/Out:					
Transfer to Food Service Fund		-			-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(763,877)	(8,191)	(772,068)	67,517	839,585
Fund Balance, July 1	1,715,440		1,715,440	1,715,440	
Fund Balance, June 30	\$ 951,563	\$ (8,191)	\$ 943,372	\$ 1,782,957	\$ 839,585

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 3,445	
Excess Surplus				832,736	
Excess Surplus - Designated for Subsequent Year's Expenditures				689,347	
Assigned to:					
Year-End Encumbrances				6,225	
Designated for Subsequent Year's Expenditures				580	
Unassigned:					
Unrestricted Fund Balance				<u>250,624</u>	
Fund Balance per Governmental Funds(Budgetary Basis)				<u>1,782,957</u>	
Reconciliation to Governmental Funds Statement(GAAP Basis):					
Last State Aid Payment not recognized on GAAP basis				<u>(89,913)</u>	
Fund Balance per Governmental Funds(GAAP Basis)				<u>\$ 1,693,044</u>	

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources		\$ 14,944	\$ 14,944	\$ 14,944	-
State Sources	\$ 6,660	-	6,660	6,660	-
Federal Sources	252,396	-	252,396	190,086	\$ (62,310)
Total Revenues	259,056	14,944	274,000	211,690	(62,310)
EXPENDITURES:					
Instruction:					
Other Purchased Services	53,215		53,215	35,797	17,418
Tuition	31,527		31,527	31,527	
General Supplies	25,548		25,548	25,548	
Total Instruction	110,290		110,290	92,872	17,418
Support Services					
Other Purchased Services	51,503		51,503	51,503	
Student Activities		11,245	11,245	11,245	
Total Support Services	51,503	11,245	62,748	62,748	
Facilities Acquisition and Contract Svs:					
Buildings	97,263		97,263	52,371	44,892
Total Facilities Services	97,263		97,263	52,371	44,892
Total Expenditures	259,056	11,245	270,301	207,991	62,310
Total Outflows	\$ 259,056	11,245	\$ 270,301	\$ 207,991	\$ 62,310
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	3,699	3,699	3,699	-
Fund Balance Beginning				15,782	
Prior Period Adjustment				-	
Fund Balance Beginning (Restated)				15,782	
Fund Balance Ending				<u>\$ 19,481</u>	
<u>Recapitulation:</u>					
Restricted:					
Student Activities				\$ 19,481	
Total Fund Balance				<u>\$ 19,481</u>	

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2023

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

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 3,542,484	\$ 211,690
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	62,168
Current Year Encumbrances	N/A	(52,371)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	85,069	N/A
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(89,913)</u>	<u>N/A</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 3,537,640</u>	<u>\$ 221,487</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 3,474,967	\$ 207,991
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	62,168
Current Year Encumbrances	N/A	(52,371)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<hr/>	<hr/>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 3,474,967</u>	<u>\$ 217,788</u>

Bloomsbury School District
Required Supplementary Information - Part III
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 5,250,225	\$4,150,410	\$5,879,442	\$6,167,120	\$7,270,517	\$7,799,471	\$ 8,403,255	\$ 6,344,550	\$ 5,085,000	#####
Total	\$ 5,250,225	\$4,150,410	\$5,879,442	\$6,167,120	\$7,270,517	\$7,799,471	\$ 8,403,255	\$ 6,344,550	\$ 5,085,000	#####
District's covered employee payroll	\$ 1,312,588	\$1,224,765	\$1,132,859	\$1,019,145	\$ 943,950	\$ 962,988	\$ 1,087,306	\$ 1,240,597	\$ 1,090,901	\$ 991,486
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Public Employees' Retirement System (PERS)

Exhibit L-1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0014357%	0.0008844%	0.0014477%	0.0014313%	0.0016791%	0.0020428%	0.0024525%	0.0027340%	0.0026663%	0.0026529%
District's proportionate share of the net pension liability (asset)	\$ 215,807	\$ 104,767	\$ 236,080	\$ 257,892	\$ 330,614	\$ 475,522	\$ 726,371	\$ 613,726	\$ 498,623	\$ 807,020
District's covered employee payroll	\$ 112,900	\$ 107,060	\$ 108,501	\$ 107,577	\$ 104,764	\$ 115,117	\$ 119,910	\$ 252,210	\$ 368,661	\$ 489,365
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	191.15%	97.86%	217.58%	239.73%	315.58%	413.08%	605.76%	243.34%	135.25%	164.91%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

Bloomsbury School District
Required Supplementary Information - Part III
Schedule of District Contributions
Last Ten Fiscal Years

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 1,312,588	\$ 1,224,765	\$ 1,132,859	\$ 1,019,145	\$ 943,950	\$ 962,988	\$ 1,087,306	\$ 1,240,597	#####	\$ 991,486
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

Public Employees' Retirement System (PERS)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 18,033	\$ 10,357	\$ 15,838	\$ 13,922	\$ 16,702	\$ 26,483	\$ 21,788	\$ 23,505	\$ 21,955	\$ 19,989
Contributions in relation to the contractually required contribution	<u>(18,033)</u>	<u>(10,357)</u>	<u>(15,838)</u>	<u>(13,922)</u>	<u>(16,702)</u>	<u>(26,483)</u>	<u>(21,788)</u>	<u>(23,505)</u>	<u>(21,955)</u>	<u>(19,989)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered employee payroll	\$ 112,900	\$ 107,060	\$ 108,501	\$ 107,577	\$ 104,764	\$ 115,117	\$ 119,910	\$ 252,210	\$ 368,661	\$ 489,365
Contributions as a percentage of covered-employee payroll	15.97%	9.67%	14.60%	12.94%	15.94%	23.01%	18.17%	9.32%	5.96%	4.08%

Bloomsbury Borough School District
Required Supplementary Information - Part III
Schedule of Changes in the State's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

The State of New Jersey's Total OPEB Liability	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	(5,002,065,740)					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	42,650,252	(1,186,417,186)	12,386,549,981	622,184,027	<u>\$ (5,291,448,855)</u>	<u>\$ (7,086,599,129)</u>	<u>8,611,513,521</u>			
Net change in total OPEB liability	<u>(9,361,188,004)</u>	<u>(7,802,311,638)</u>	<u>26,080,881,563</u>	<u>(4,381,751,937)</u>	<u>(7,529,008,876)</u>	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>			
Total OPEB Liability - Beginning	<u>\$ 60,007,650,970</u>	<u>\$ 67,809,962,608</u>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>	<u>\$ 46,849,651,824</u>			
Total OPEB Liability - Ending	<u>\$ 50,646,462,966</u>	<u>\$ 60,007,650,970</u>	<u>\$ 67,809,962,608</u>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>			
The State of New Jersey's total OPEB liability **	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
The State of New Jersey's OPEB liability attributable to the District **	\$ 5,654,081	\$ 6,235,491	\$ 6,966,735	\$ 4,949,576	\$ 5,491,554	\$ 6,606,386	\$ 7,104,930			
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
District's covered employee payroll	\$ 1,425,488	\$ 1,331,825	\$ 1,241,360	\$ 1,126,722	\$ 1,048,714	\$ 1,078,105	\$ 1,207,216			
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
District's contribution	None	None	None	None	None	None	None			
State's covered employee payroll ***	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
Total State's OPEB liability as a percentage of its covered-employee payroll	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

** Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

*** Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BLOOMSBURY SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules**

For the Fiscal Year Ended June 30, 2023

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

Public Employees' Retirement System (PERS)

Pension Schedules

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

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

OPEB Schedules

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2023

	Total I	Title II Part A	IDEA Basic	IDEA Preschool	ARP Non Title I	ARP Summer	ARP Beyond Sch Day	ARP Mental Health	CRRSA Learn	CRRSA Mental Health	Climate Awareness Grant	Student Activities Fund	Totals
REVENUES													
Local Sources												\$ 14,944	\$ 14,944
State Sources											\$ 6,660		6,660
Federal Sources													190,086
TOTAL REVENUES	55	12,849	31,527	752	52,371	19,875	17,995	41,994	12,667	1	6,660	14,944	211,690
EXPENDITURES:													
Instruction:													
Other Purchased Services		4,000				19,875			11,921	1			35,797
Tuition			31,527										31,527
General Supplies	55	6,000		752				17,995	746				25,548
Total Instruction	55	10,000	31,527	752		19,875		17,995	12,667	1			92,872
Support Services:													
Salaries of Supervisors of Instruction													-
Other Purchased Services		2,849						41,994			6,660		51,503
Student Activities												11,245	11,245
Total Support Services	-	2,849	-	-	-	-	-	41,994	-	-	6,660	11,245	62,748
Facilities Acquisition and Contract Svs:													
Buildings													-
Instructional Equipment					52,371								52,371
Non-Instructional Equipment													-
Total Facilities Services	-	-	-	-	52,371	-	-	-	-	-	-	-	52,371
TOTAL EXPENDITURES	55	12,849	31,527	752	52,371	19,875	17,995	41,994	12,667	1	6,660	11,245	207,991
Total Outflows	55	12,849	31,527	752	52,371	19,875	17,995	41,994	12,667	1	6,660	11,245	207,991
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	3,699	3,699
Fund Balance Beginning	-	-	-	-	-	-	-	-	-	-	-	15,782	15,782
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	15,782	15,782
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	19,481	19,481

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

N/A

<p style="text-align: center;">PROPRIETARY FUND DETAIL STATEMENTS</p>
--

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

**FIDUCIARY FUND
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases. The district currently has no long-term liabilities.

Bloomsbury Borough School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	83-88
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	89-92
Debt Capacity (J-10 thru J-13) 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.	93-96
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	97-98
Operating Information (J-16 thru J-20) 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.	99-103

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

Bloomsbury Borough School District
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	\$ 315,165	\$ 349,946	\$ 243,177	\$ 202,290	\$ 160,403	\$ 133,374	\$ 113,389	\$ 104,801	\$ 96,213	\$ 87,625
Restricted	645,701	568,523	402,289	436,188	620,317	858,376	969,557	1,128,185	1,472,451	1,545,589
Unrestricted	175,349	(390,891)	(425,349)	(430,496)	(447,383)	(351,839)	(277,483)	(211,602)	(160,187)	(81,806)
Total governmental activities net position	<u>\$ 1,136,215</u>	<u>\$ 527,578</u>	<u>\$ 220,117</u>	<u>\$ 207,582</u>	<u>\$ 333,337</u>	<u>\$ 639,911</u>	<u>\$ 805,463</u>	<u>\$ 1,021,384</u>	<u>\$ 1,408,477</u>	<u>\$ 1,551,408</u>
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-
Unrestricted	\$ 5,680	\$ 6,132	\$ 9,900	\$ 16,638	\$ 12,433	\$ 12,905	\$ 6,314	\$ 12,802	\$ 19,503	\$ 12,441
Total business-type activities net position	<u>\$ 5,680</u>	<u>\$ 6,132</u>	<u>\$ 9,900</u>	<u>\$ 16,638</u>	<u>\$ 12,433</u>	<u>\$ 12,905</u>	<u>\$ 6,314</u>	<u>\$ 12,802</u>	<u>\$ 19,503</u>	<u>\$ 12,441</u>
District-wide										
Invested in capital assets, net of related debt	\$ 315,165	\$ 349,946	\$ 243,177	\$ 202,190	\$ 160,403	\$ 133,374	\$ 113,389	\$ 104,801	\$ 96,213	\$ 87,625
Restricted	645,701	568,523	402,289	436,188	620,317	858,376	969,557	1,128,185	1,472,451	1,545,589
Unrestricted	181,029	(384,759)	(415,449)	(413,858)	(434,950)	(338,934)	(271,169)	(198,800)	(140,684)	(69,365)
Total district net position	<u>\$ 1,141,895</u>	<u>\$ 533,710</u>	<u>\$ 230,017</u>	<u>\$ 224,120</u>	<u>\$ 345,770</u>	<u>\$ 652,816</u>	<u>\$ 811,777</u>	<u>\$ 1,034,186</u>	<u>\$ 1,427,980</u>	<u>\$ 1,563,849</u>

Source: ACFR Schedule A-1

Bloomsbury Borough School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,338,644	\$ 1,483,330	\$ 1,554,044	\$ 1,673,842	\$ 1,395,119	\$ 1,256,113	\$ 1,228,849	\$ 1,330,874	\$ 1,209,916	\$ 1,389,134
Special education	284,285	334,612	307,734	275,761	249,835	239,704	289,851	310,301	407,768	424,977
Other special education	3,260	5,770	10,524	6,971	7,841	9,764	9,925	2,196	13,371	18,503
Support Services:										
Tuition	793,659	801,414	929,493	995,430	1,299,976	1,028,793	647,778	560,044	347,529	457,861
Student & instruction related services	364,872	326,895	415,555	387,380	336,862	367,393	414,116	478,431	438,380	446,128
General administrative services	164,287	169,109	175,316	196,451	199,852	218,512	211,219	209,525	189,626	193,139
School administrative services	126,243	138,484	106,106	111,441	120,457	51,289	39,934	23,579	21,806	21,766
Plant operations and maintenance	195,903	201,087	197,204	200,123	240,513	230,096	206,189	311,780	252,222	263,707
Pupil transportation	58,606	80,318	109,077	135,487	170,681	100,785	67,430	63,704	43,931	71,611
Interest Expense	538	538	538	538	538	538	538	538	538	538
Total governmental activities expenses	3,330,297	3,541,557	3,805,591	3,983,424	4,021,674	3,502,987	3,115,829	3,290,972	2,925,087	3,287,364
Business-type activities:										
Food service	45,055	44,907	37,686	34,599	29,927	30,718	26,013	38,061	89,509	56,219
Child Care					7,840	8,504	-	-	-	-
Total business-type activities expense	45,055	44,907	37,686	34,599	37,767	39,222	26,013	38,061	89,509	56,219
Total district expenses	\$ 3,375,352	\$ 3,586,464	\$ 3,843,277	\$ 4,018,023	\$ 4,059,441	\$ 3,542,209	\$ 3,141,842	\$ 3,329,033	\$ 3,014,596	\$ 3,343,583
Program Revenues										
Governmental activities:										
Charges for services:										
Regular										
Special Education										
Transportation	16,799	15,154	6,890	8,140	12,997	\$ 21,245	\$ 22,826	\$ 15,201	\$ 28,866	\$ 24,944
Operating grants and contributions	1,622,984	1,818,414	1,942,031	2,258,987	2,392,428	2,016,189	1,405,288	1,611,913	1,364,228	1,449,747
Capital grants and contributions										
Total governmental activities program revenues	1,639,783	1,833,568	1,948,921	2,267,127	2,405,425	2,037,434	1,428,114	1,627,114	1,393,094	1,474,691
Business-type activities:										
Charges for services										
Food service	21,539	21,793	20,640	15,188	11,242	10,920	7,355	2,116	1,694	13,790
Child Care					9,002	9,608	-	-	-	-
Operating grants and contributions	15,063	13,636	13,913	13,755	13,318	13,036	11,265	42,433	94,516	35,367
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	36,602	35,429	34,553	28,943	33,562	33,564	18,620	44,549	96,210	49,157
Total district program revenues	\$ 1,676,385	\$ 1,868,997	\$ 1,983,474	\$ 2,296,070	\$ 2,438,987	\$ 2,070,998	\$ 1,446,734	\$ 1,671,663	\$ 1,489,304	\$ 1,523,848
Net (Expense)/Revenue										
Governmental activities	\$ (1,690,514)	\$ (1,707,989)	\$ (1,856,670)	\$ (1,716,297)	\$ (1,616,249)	\$ (1,465,553)	\$ (1,687,715)	\$ (1,663,858)	\$ (1,531,993)	\$ (1,812,673)
Business-type activities	(8,453)	(9,478)	(3,133)	(5,656)	(4,205)	(5,658)	(7,393)	6,488	6,701	(7,062)
Total district-wide net expense	\$ (1,698,967)	\$ (1,717,467)	\$ (1,859,803)	\$ (1,721,953)	\$ (1,620,454)	\$ (1,471,211)	\$ (1,695,108)	\$ (1,657,370)	\$ (1,525,292)	\$ (1,819,735)

Continued

Bloomsbury Borough School District
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,557,308	\$ 1,588,454	\$ 1,620,233	\$ 1,706,307	\$ 1,740,433	\$ 1,775,242	\$ 1,842,559	\$ 1,879,410	\$ 1,916,998	\$ 1,955,338
Unrestricted grants and contributions										
Investment earnings	919	621	506	407	1,591	3,015	2,579	369	165	189
Miscellaneous income	470	5,262	763	414	80	-	-	-	1,923	77
Operating Transfer	(9,134)	(9,930)	(6,901)	(3,466)	-	(6,130)	(802)	-	-	-
Total governmental activities	1,549,563	1,584,407	1,614,591	1,703,662	1,742,104	1,772,127	1,844,336	1,879,779	1,919,086	1,955,604
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	9,134	9,930	6,901	3,466	-	6,130	802	-	-	-
Total business-type activities	9,134	9,930	6,901	3,466	-	6,130	802	-	-	-
Total district-wide	\$ 1,558,697	\$ 1,594,337	\$ 1,621,492	\$ 1,707,128	\$ 1,742,104	\$ 1,778,257	\$ 1,845,138	\$ 1,879,779	\$ 1,919,086	\$ 1,955,604
Change in Net Position										
Governmental activities	\$ (140,951)	\$ (122,786)	\$ (244,312)	\$ (18,303)	\$ 125,855	\$ 306,574	\$ 156,621	\$ 215,921	\$ 387,093	\$ 142,931
Business-type activities	681	(344)	6,001	3,478	(4,205)	472	(6,591)	6,488	6,701	(7,062)
Total district	\$ (140,270)	\$ (123,130)	\$ (238,311)	\$ (14,825)	\$ 121,650	\$ 307,046	\$ 150,030	\$ 222,409	\$ 393,794	\$ 135,869

Source: ACFR Schedule A-2

Bloomsbury Borough School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved	\$ 744,884	\$ 588,569	\$ 410,781	\$ 465,126	\$ 633,715	\$ 881,284	\$ 996,184	\$ 1,141,160	\$ 1,464,860	\$ 1,532,333
Unreserved	118,166	121,304	121,094	137,431	115,113	166,337	171,863	184,408	165,511	160,711
Total general fund	<u>\$ 863,050</u>	<u>\$ 709,873</u>	<u>\$ 531,875</u>	<u>\$ 602,557</u>	<u>\$ 748,828</u>	<u>\$ 1,047,621</u>	<u>\$ 1,168,047</u>	<u>\$ 1,325,568</u>	<u>\$ 1,630,371</u>	<u>\$ 1,693,044</u>
All Other Governmental Funds										
Reserved							8931	\$ 14,689	\$ 15,782	\$ 19,481
Unreserved, reported in:										
Capital projects fund										
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,931</u>	<u>\$ 14,689</u>	<u>\$ 15,782</u>	<u>\$ 19,481</u>

Source: ACFR Schedule B-1

Bloomsbury Borough School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	<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>
Revenues										
Tax levy	\$ 1,557,308	\$ 1,588,454	\$ 1,620,233	\$ 1,706,307	\$ 1,740,433	\$ 1,775,242	\$ 1,842,559	\$ 1,879,410	\$ 1,916,998	\$ 1,955,338
Tuition charges	16,799	15,154	6,890	8,140	12,997	21,245	22,826	6,242	18,800	10,000
Interest earnings										
Miscellaneous	1,389	5,883	1,269	821	1,671	3,015	2,579	9,328	12,154	15,210
State sources	1,520,560	1,523,327	1,567,992	1,683,990	1,703,175	1,639,288	1,223,346	1,299,865	1,467,956	1,578,696
Federal sources	102,424	75,736	72,172	74,209	61,759	43,952	41,738	93,324	153,768	199,883
Total revenue	3,198,480	3,208,554	3,268,546	3,473,467	3,520,035	3,482,742	3,133,048	3,288,169	3,569,676	3,759,127
Expenditures										
Instruction										
Regular Instruction	1,241,466	1,264,755	1,266,019	1,266,809	1,011,468	982,390	1,028,692	1,078,635	1,092,965	1,275,238
Special education instruction	268,590	292,159	259,630	216,134	189,208	193,336	248,229	254,358	369,008	393,896
Other special instruction	3,080	5,038	8,879	5,464	5,938	7,875	8,500	1,800	12,100	17,150
Support Services:										
Tuition	749,842	699,737	784,197	780,190	984,513	829,785	554,759	459,076	314,495	424,376
Student & instruction related services	344,728	285,421	350,597	303,618	260,116	300,527	356,072	395,015	396,710	418,534
General administrative services										
School Administrative services	117,913	118,354	78,892	81,516	85,398	35,540	28,371	13,500	13,905	14,346
Business administrative services	155,217	147,654	147,911	153,973	151,354	176,243	180,889	171,751	171,601	179,014
Plant operations and maintenance	185,087	175,575	166,378	156,851	192,631	198,087	189,081	268,571	228,247	257,421
Pupil transportation	55,370	70,128	92,026	106,191	129,262	81,289	57,747	52,219	39,755	66,374
Unallocated employee benefits	183,834	225,918	275,034	318,493	353,796	362,667	349,400	419,885	614,914	636,326
Capital outlay	71,652	57,520	538	538	538	538	538	538	538	538
Special Schools										
Special Revenue										
Capital Projects										
Debt service	9,542	9,542	9,542	9,542	9,542	9,542	9,542	9,542	9,542	9,542
Total expenditures	3,386,321	3,351,801	3,439,643	3,399,319	3,373,764	3,177,819	3,011,820	3,124,890	3,263,780	3,692,755
Excess (Deficiency) of revenues over (under) expenditures	(187,841)	(143,247)	(171,097)	74,148	146,271	304,923	121,228	163,279	305,896	66,372
Other Financing Sources (uses)										
Capital Leases (Non-Budget)										
Transfers out	(9,134)	(9,930)	(6,901)	(3,466)	-	(6,130)	(802)	-	-	-
Total other financing sources (uses)	(9,134)	(9,930)	(6,901)	(3,466)	-	(6,130)	(802)	-	-	-
Net change in fund balances	\$ (196,975)	\$ (153,177)	\$ (177,998)	\$ 70,682	\$ 146,271	\$ 298,793	\$ 120,426	\$ 163,279	\$ 305,896	\$ 66,372
Debt service as a percentage of noncapital expenditures	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%

Source: ACFR Schedule B-2

BLOOMSBURY BOROUGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 919		\$ 16,799	\$ 470	\$ 18,188
2015	621		15,154	3,524	19,299
2016	506		6,890	763	8,159
2017	407		8,140	414	8,961
2018	1,591		12,997	80	14,668
2019	3,015		21,245		24,260
2020	2,579		22,826		25,405
2021	369		6,242		6,611
2022	165		18,800	1,923	20,888
2023	189		10,000	77	10,266

SOURCE: District Records

**Bloomsbury Borough School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2014	\$777,000	\$83,903,600	\$367,100	\$124,400	\$18,598,400	\$4,232,300	\$1,258,100	121,268,333	\$11,840,300	\$167,133	\$109,428,033	\$1.409	\$101,563,046
2015	780,500	83,711,200	367,100	124,400	15,598,400	4,232,300	1,258,100	118,075,125	11,840,300	162,825	106,234,825	1.440	97,723,311
2016	479,400	67,751,200	331,300	141,200	17,668,100	2,050,100	1,299,900	99,899,216	9,994,800	183,216	89,904,416	1.784	99,779,688
2017	479,400	67,843,800	331,300	141,200	17,613,000	2,072,500	1,243,100	99,774,296	10,049,900	96	89,724,396	1.854	94,417,886
2018	469,400	68,098,000	331,300	141,200	17,613,000	2,023,500	1,243,100	99,179,293	9,260,700	93	89,918,593	1.917	96,685,877
2019	441,400	68,062,100	331,300	141,200	17,613,000	2,490,300	1,243,100	99,599,395	9,276,900	95	90,322,495	1.946	96,685,877
2020	441,400	68,176,800	331,300	141,200	17,613,000	2,490,300	1,243,100	99,714,095	9,276,900	95	90,437,195	2.000	99,255,886
2021	441,400	67,915,400	331,300	113,400	17,179,700	2,490,300	1,243,100	99,237,595	9,522,900	95	89,714,695	2.074	96,975,873
2022	441,400	67,917,900	331,300	113,400	17,179,700	2,490,300	1,243,100	99,240,095	9,522,900	95	89,717,195	2.116	100,550,896
2023	441,400	68,507,900	331,300	113,400	16,639,200	2,490,300	1,243,100	98,662,595	8,895,900	95	89,766,695	2.157	104,081,134

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Bloomsbury Borough School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Bloomsbury Borough Board of Education					Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Bloomsbury Borough	Hunterdon County	
2014	\$1.409	\$0.000	\$1.409	\$0.468	\$0.336	\$2.213
2015	\$1.440	\$0.000	\$1.440	\$0.486	\$0.330	\$2.256
2016	\$1.784	\$0.000	\$1.784	\$0.603	\$0.410	\$2.797
2017	\$1.854	\$0.000	\$1.854	\$0.616	\$0.389	\$2.859
2018	\$1.917	\$0.000	\$1.917	\$0.626	\$0.397	\$2.940
2019	\$1.946	\$0.000	\$1.946	\$0.624	\$0.400	\$2.970
2020	\$2.000	\$0.000	\$2.000	\$0.636	\$0.396	\$3.032
2021	\$2.074	\$0.000	\$2.074	\$0.653	\$0.406	\$3.133
2022	\$2.116	\$0.000	\$2.116	\$0.662	\$0.421	\$3.199
2023	\$2.157	\$0.000	\$2.157	\$0.685	\$0.436	\$3.278

Source: District Records and Municipal Tax Collector

Note:

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

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

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

**Bloomsbury Borough School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

Exhibit J-8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
HPT TA properties	\$ 5,821,800	1	6.49%	\$ 3,584,100	1	6.09%
Brown Holding LLC	4,139,400	2	4.61%			
Quovadis LLC	2,114,200	3	2.36%	2,239,100	2	3.80%
Pilot Travel Centers	1,962,100	4	2.19%	1,212,300	3	2.06%
Bloomsbury Mets LLC	1,634,000	5	1.82%	1,057,700	4	1.80%
AJB Residential Enterprises, Inc	1,226,400	6	1.37%	-		
Bloomsbury Assoc.	792,400	7	0.88%	624,000	5	1.06%
Individual Taxpayer #1	579,600	8	0.65%	-		
Growmark FS Inc	579,100	9	0.65%	342,600	9	0.58%
Individual Taxpayer #2	493,900	10	0.55%			
Individual Taxpayer #3				449,200	6	0.76%
Pro Investment				431,100	7	0.73%
Individual Taxpayer #4				351,200	8	0.60%
Individual Taxpayer #5				293,500	10	0.50%
Total	<u>\$ 19,342,900</u>		<u>21.55%</u>	<u>\$ 10,584,800</u>		<u>17.98%</u>

Source: District ACFR & Municipal Tax Assessor

**Bloomsbury Borough School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$1,557,308	\$1,557,308	100.00%	-
2015	\$1,588,454	\$1,588,454	100.00%	-
2016	\$1,620,233	\$1,620,233	100.00%	-
2017	\$1,706,307	\$1,706,307	100.00%	-
2018	\$1,740,433	\$1,740,433	100.00%	-
2019	\$1,775,242	\$1,775,242	100.00%	-
2020	\$1,842,559	\$1,842,559	100.00%	-
2021	\$1,879,410	\$1,879,410	100.00%	-
2022	\$1,916,998	\$1,916,998	100.00%	-
2023	\$1,955,338	\$1,955,338	100.00%	-

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

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

**Bloomsbury Borough School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

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

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

Bloomsbury Borough School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Exhibit J-11

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-
2022	-0-	-0-	-0-	-0-	-0-
2023	-0-	-0-	-0-	-0-	-0-

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

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

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

Bloomsbury Borough School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2023

Exhibit J-12

<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			
Bloomsbury Borough	None	100.0%	None
Other debt			
Hunterdon County	\$ 74,164,045	0.545%	\$ 404,278
Subtotal, overlapping debt			404,278
Bloomsbury Borough School District Direct Debt *			-
Total direct and overlapping debt			<u>\$ 404,278</u>

Sources: Bloomsbury Borough Finance Officer, Hunterdon County Finance Office and Utility Authorities

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

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

**Bloomsbury Borough School District
Legal Debt Margin Information,
Last Ten Fiscal Years**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2020 \$ 100,083,317
	2021 103,551,688
	2022 110,197,247
	<u>[A] \$ 313,832,252</u>
Average equalized valuation of taxable property	[A/3] \$ 104,610,751
Debt limit (3 % of average equalization value)	[B] \$ 3,138,323
Net bonded school debt *	[C] -
Legal debt margin	<u>[B-C] \$ 3,138,323</u>

	Fiscal Year									
	<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>
Debt limit	\$3,081,635	\$2,971,889	\$2,902,816	\$2,891,000	\$2,849,740	\$2,897,423	\$2,910,251	\$2,959,968	\$3,009,002	3,138,323
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$3,081,635</u>	<u>\$2,971,889</u>	<u>\$2,902,816</u>	<u>\$2,891,000</u>	<u>\$2,849,740</u>	<u>\$2,897,423</u>	<u>\$2,910,251</u>	<u>\$2,959,968</u>	<u>\$3,009,002</u>	<u>\$3,138,323</u>
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: Abstract of Ratables and District Records ACFR Schedule J-7

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

* Includes authorized, but not issued

**Bloomsbury Borough School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2014	859	\$61,960,529	\$78,862 R	6.5%
2015	856	\$69,176,250	\$80,981 R	4.6%
2016	852	\$70,038,977	\$83,763 R	4.7%
2017	846	\$69,546,323	\$84,912 R	3.2%
2018	844	\$69,464,214	\$87,934 R	2.8%
2019	843	\$72,734,760	\$91,946 R	3.4%
2020	841	\$75,182,790	\$95,088 R	8.0%
2021	835	\$77,062,985	\$102,227 R	5.1%
2022	794	\$75,499,872	\$102,227 *	2.8%
2023	797	\$81,474,919	\$102,227 *	*

Source:

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

^b Personal Income provided by US Dept of Commerce

^c Per Capita provided by US Dept of Commerce

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

P =Projected

R =Revised

* =Current data unavailable

**Bloomsbury Borough School District
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

N/A

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
	-			-		
	-		0.00%	-		0.00%

Source:

No reliable information is available at the local or county level.

**Bloomsbury Borough School District
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	13.2	13.2	13.6	12.6	10.0	10.0	11.1	12.9	12.9	13.0
Special education	3.2	3.2	3.2	3.2	2.0	2.5	3.0	3.5	3.5	4.5
Other	1.2	1.7	1.7	1.7	2.0	2.0	2.0	1.0	1.0	1.0
Support Services:										
Student & instruction related services	4.0	3.5	3.0	2.5	1.5	1.5	1.5	1.5	1.5	1.5
General administrative services	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
School administrative services	1.0	1.3	1.3	1.3	1.0	1.0	1.0	1.0	1.0	1.0
Business administrative services	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	1.5
Food Service	-	-	-	-	-	-	-	-	-	-
Total	24.1	24.4	24.3	22.8	19.0	19.4	21.1	22.9	22.9	23.5

Source: District Personnel Records

**Bloomsbury Borough School District
Operating Statistics
Last Ten Fiscal Years**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff ^b	Elementary				
2014	119	\$ 3,386,321	\$ 28,456	40.85%	24	1:5	119.0	109.2	-20.19%	91.8%
2015	125	3,351,801	26,814	-5.77%	24	1:5	119.0	109.2	0.00%	91.8%
2016	120	3,439,643	28,664	6.90%	24	1:5	110.5	107.0	-7.14%	96.8%
2017	108	3,399,319	31,475	9.81%	23	1:5	100.6	96.2	-8.96%	95.7%
2018	87	3,373,764	38,779	23.20%	23	1:4	84.0	79.8	-16.50%	95.0%
2019	90	3,177,819	35,309	-8.95%	12	1:7.5	80.2	77.5	-4.52%	96.6%
2020	91	3,011,820	33,097	-6.27%	21	1:4.3	90.8	87.3	13.22%	96.1%
2021	92	3,124,890	33,966	2.63%	23	1:4.0	90.4	87.8	-0.44%	97.1%
2022	101	3,263,780	32,315	-4.86%	23	1:4.4	101.3	95.6	12.06%	94.4%
2023	97	3,692,755	38,070	17.81%	23	1:4.2	95.3	90.1	-5.92%	94.5%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

**Bloomsbury Borough School District
School Building Information
Last Ten Fiscal Years**

Exhibit J-18

	<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>
<u>District Building</u>										
<u>Elementary (1905)</u>										
Square Feet	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651
Capacity (students)	200	200	200	200	200	200	200	200	200	200
Enrollment	119	125	120	108	87	90	91	92	101	97

Number of Schools at June 30, 2023

Source: District records, ASSA

Elementary = 1

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2023

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
Elementary School	N/A	\$ 29,744	\$ 26,331	\$ 26,552	\$ 13,071	\$ 36,681	\$ 16,042	\$ 15,919	\$ 65,597	\$ 52,957	\$ 31,317	\$ 284,467
Total School Facilities		29,744	26,331	26,552	13,071	36,681	16,042	15,919	65,597	52,957	31,317	284,467
Other Facilities		-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 29,744	\$ 26,331	\$ 26,552	\$ 13,071	\$ 36,681	\$ 16,042	\$ 15,919	\$ 65,597	\$ 52,957	\$ 31,317	\$ 284,467

BLOOMSBURY BOROUGH SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2023

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY: NJSIG		
Property-Blanket Building and Contents	\$ 500,000,000	\$ 1,000
Equipment Breakdown	100,000,000	1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	
Blanket Position Bond	100,000	
Student Accedent Insurance	5,000,000	
WORKER'S COMPENSATION-NJSIG	2,000,000	
SCHOOL BOARD LEGAL LIABILITY - NJSIG		
Directors and Officers Policy-Limit each Loss	11,000,000	5,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE BLANKET POSITION BOND - Selective Insurance Company:		
Business Administrator	400,000	
Treasurer	400,000	

SOURCE: District Records

Single Audit Section



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Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Bloomsbury Borough School District
 County of Hunterdon
 Phillipsburg, New Jersey 08865

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 Bloomsbury Borough School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Bloomsbury Borough School District Board of Education's basic financial statements, and have issued our report thereon dated October 26, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023



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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Bloomsbury Borough School District
 County of Hunterdon
 Bloomsbury Borough, New Jersey 08865

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Bloomsbury Borough School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The Bloomsbury Borough School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

We are required to be independent of the Bloomsbury Borough School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Bloomsbury Borough School District Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

-Continued-

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

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

-Continued-

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 New Jersey OMB circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

BLOOMSBURY BOROUGH SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/Walkover Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Dept. of Education Passed-Through State Dept. of Education:																
Special Revenue Fund:																
Title I	84.010	S010A220030	N/A	\$ 55	7/1/22	6/30/23			\$ 55	\$ (55)						\$ 55
Title II - Part A	84.367	S367B220027	N/A	2,849	7/1/22	6/30/23			2,849	(2,849)						2,849
Title IV	84.424A	S424B220027	N/A	10,000	7/1/22	6/30/23			10,000	(10,000)						10,000
Total ESEA							-	-	12,904	(12,904)	-	-	-	-	-	12,904
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	FT067020	31,527	7/1/22	6/30/23			31,527	(31,527)						31,527
I.D.E.A. Part B, Preschool	84.173	H173A220114	FT067020	752	7/1/22	6/30/23			752	(752)						752
Special Education Cluster							-	-	32,279	(32,279)	-	-	-	-	-	32,279
American Rescue Plan-ESSER Non-Title I	84.425U	S425U220027	ARP	97,263	3/13/20	9/30/24				(52,371)			\$ (97,263)	\$ 44,892		52,371
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24	\$ (5,939)		5,939							50,000
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24			19,875	(19,875)			(14,314)	14,314		25,685
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	(16,652)		34,647	(17,995)						40,000
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24	(3,006)		45,000	(41,994)						45,000
CRRSA Non-Title I	84.425D	S425D220027	CRRSA	48,631	3/13/20	9/30/23	(41,445)		41,445							48,631
CRRSA II Learning	84.425D	S425D220027	CRRSA	25,000	3/13/20	9/30/23	(2,610)		15,278	(12,667)			(3,103)	3,104		21,896
CRRSA II Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(1,066)		1,066	(1)	\$ 1					45,000
Total Education Stabilization Fund							(70,718)	-	163,250	(144,903)	1	-	(114,680)	62,310	-	328,583
Total Special Revenue Fund							(70,718)	-	208,433	(190,086)	1	-	(114,680)	62,310	-	373,766
U.S. Dept. of Agriculture Passed-Through State Dept. of Education:																
Enterprise Fund:																
National School Lunch Program (Food Distribution)	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	231			(231)						231
National School Lunch Program (Food Distribution)	10.555	231NJ304N1199	N/A	2,354	7/1/22	6/30/23			2,354	(1,630)				724		1,630
School Breakfast Program	10.553	211NJ304N1099	N/A		7/1/20	6/30/21	(565)						(565)			-
School Breakfast Program	10.553	221NJ304N1099	N/A		7/1/21	6/30/22	(1,698)		1,698							-
National School Lunch Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	(587)						(587)			-
National School Lunch Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(995)		995							-
National School Lunch Program	10.555	231NJ304N1199	N/A	13,550	7/1/22	6/30/23			13,550	(13,550)						13,550
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	16,609	7/1/22	6/30/23			16,609	(16,609)						16,609
Total Enterprise Fund							(3,614)	-	35,206	(32,020)	-	-	(1,152)	724	-	32,020
TOTAL FEDERAL ASSISTANCE							\$ (74,332)		\$ 243,639	\$ (222,106)	\$ 1		\$ (115,832)	\$ 63,034	-	\$ 405,786

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

BLOOMSBURY BOROUGH SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2023			MEMO			
									(ACCTS. RECEIV.)	DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.		
STATE DEPARTMENT OF EDUCATION															
General Fund:															
Equalization Aid	23-495-034-5122-078	7/1/22-6/30/23	\$ 591,878			\$ 591,878	\$ (591,878)						*	\$ 56,619	\$ 591,878
School Choice Aid	23-495-034-5122-068	7/1/22-6/30/23	277,068			277,068	(277,068)						*	26,504	277,068
Special Education Aid	23-495-034-5123-089	7/1/22-6/30/23	70,984			70,984	(70,984)						*	6,790	70,984
Non-Public Transportation Aid	22-495-034-5122-068	7/1/21-6/30/22	580	\$ (580)		580	-						*		-
Non-Public Transportation Aid	23-495-034-5122-068	7/1/22-6/30/23	624				(624)		\$ (624)				*		624
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	427,001			427,001	(427,001)						*		427,001
On Behalf TPAF Pension PRM	23-495-034-5094-001	7/1/22-6/30/23	112,172			112,172	(112,172)						*		112,172
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	251			251	(251)						*		251
Reimbursed TPAF Soc.Sec.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	96,902	(4,586)		96,686	(96,902)		(4,802)				*		96,902
Total General Fund				(5,166)		1,576,620	(1,576,880)		(5,426)		-		*	89,913	1,576,880
Special Revenue Fund:															
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)						*		6,660
Total Special Revenue Fund				-	-	6,660	(6,660)	-	-	-	-	-	*	-	6,660
Enterprise Fund:															
Nat. School Lunch Prog. (State Share)	21-100-010-3350-023	7/1/20-6/30/21		(42)					(42)				*		
Nat. School Lunch Prog. (State Share)	22-100-010-3350-023	7/1/21-6/30/22		(23)		23			-				*		
Nat. School Lunch Prog. (State Share)	23-100-010-3350-023	7/1/22-6/30/23	347			347	(347)		-				*		347
Total Enterprise Fund				(65)	-	370	(347)	-	(42)	-	-	-	*	-	347
Total State Financial Assistance				\$ (5,231)	-	\$ 1,583,650	\$ (1,583,887)	-	-	\$ (5,468)	-	-	*	\$ 89,913	\$ 1,583,887
<u>Less: On-behalf TPAF Pension Amounts</u>															
On Behalf TPAF Pension	23-495-034-5094-002						427,001								
On Behalf TPAF Pension PRM	23-495-034-5094-001						112,172								
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004						251								
Total State Expenditures Subject to Major Program Determination							\$ (1,044,463)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$4,844) for the general fund and \$9,797 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
 JUNE 30, 2023

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 1,572,036	\$ 1,572,036
Special Revenue Fund	\$ 199,883	6,660	206,543
Food Service Fund	<u>35,020</u>	<u>347</u>	<u>35,367</u>
Total Financial Assistance	<u>\$ 234,903</u>	<u>\$ 1,579,043</u>	<u>\$ 1,813,946</u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes **x** No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes **x** None

Reported

Noncompliance material to financial statements noted? ___ Yes **x** No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes ___ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of? ___ Yes ___ No

Identification of major programs:

Assistance Listing **FAIN Number(s)** **Name of Federal Program or Cluster**

N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? ___ yes ___ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Financial Assistance Section

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

Auditee qualified as low-risk auditee? x_yes_ _no

Internal Control over major programs:

1) Material weakness(es) identified? _yes_ _x_ _no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _yes_ _x_ _none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? _yes_ _x_ _no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

23-495-034-5120-078
23-495-034-5120-068
23-495-034-5120-089

Equalization Aid (State Aid Cluster)
School Choice Aid (State Aid Cluster)
Special Education Aid (State Aid Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATUS OF PRIOR YEAR FINDINGS

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.