

SCHOOL DISTRICT
OF
BEVERLY CITY
OF BURLINGTON COUNTY

Beverly City School District
Beverly, New Jersey

ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2025

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

Of the

Beverly City School District
of Burlington County

Beverly, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Beverly City Board of Education
Finance Department

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INTRODUCTORY SECTION



December 5, 2025

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

Dear Board Members and Citizens:

The annual comprehensive financial report of the Beverly City Board of Education for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Beverly City Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

Educational services are provided for regular and special education programs for handicapped youngsters. The Beverly City School District (Pre-K through Grade 8) completed the 2025 fiscal year with an enrollment of 335 students.

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

Enrollment, Pre-K-8		
<u>Fiscal Year</u>	<u>Student Enrollment Change</u>	<u>Percent</u>
2024-25	335	0.0%
2023-24	335	(1.2%)
2022-23	339	1.5%
2021-22	334	3.1%
2020-21	324	2.2%
2019-20	317	4.3%
2018-19	304	0.0%
2017-18	305	3.4%
2016-17	295	1.4%
2015-16	291	(0.3%)

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

3. MAJOR INITIATIVES: The District engaged in the following initiatives during the 2024-2025 school year:

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

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

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

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

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

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

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

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

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

8. DEBT ADMINISTRATION: On January 22, 2015, \$1,031,000 of School Bonds was issued for the purpose of constructing and renovating the roof, HVAC system, boiler and windows. The balance of the outstanding debt at June 30, 2025 was \$405,000.

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

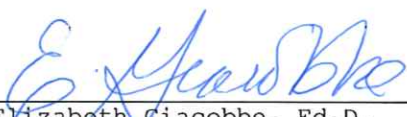
10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to: general liability, comprehensive/collision, student and volunteer accident, hazard and theft insurance on property and contents, earthquake, flood and fidelity bonds. Annual reviews of the entire program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

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

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

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

Respectfully submitted,



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



Mr. George M. Gahles
School Business Administrator



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

Beverly City School District
Beverly, New Jersey

Organization Chart
(Unit Control)

Board of Education

Attorney / Auditor / Custodian of School Moneys Committees

Superintendent / Principal

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

Custodian

Food Service

Transportation

Teaching Staff

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

Pupils

Beverly City School District
Beverly, New Jersey

Roster of Officials
June 30, 2025

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Wolbert, President	2027
Barbara Kelly	2026
Susan Roth	2025
Bob Thibault	2025
Ariel Pina	2027

OTHER OFFICIALS

Elizabeth Giacobbe Ed.D, Superintendent of Schools

George M. Gahles, School Business Administrator

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

Pablo Canela, Treasurer of School Monies

Beverly City School District

Consultants and Advisors

AUDIT FIRM

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

ATTORNEY

Capehart & Scatchard, P.A.
8000 Midlantic Drive, Suite 300S
Mt. Laurel, NJ 08054

BOND COUNSEL

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

OFFICIAL DEPOSITORIES

WSFS Bank
500 Delaware Avenue
Wilmington, DE 19801

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beverly City School District in the County of Burlington, State of New Jersey as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beverly City School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

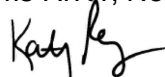
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of Beverly City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Beverly City School District internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beverly City School District's internal control over financial reporting and compliance.

Respectfully Submitted,

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



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

Toms River, New Jersey
December 5, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Beverly City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The discussion and analysis of Beverly City School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2025 are as follows:

Net position totaled \$7,904,482, which represents a 11.24 percent increase from June 30, 2024.

General revenues accounted for \$9,082,385 in revenue or 73.96 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,198,037 or 26.04 percent of total revenues of \$12,280,422.

Total assets increased by \$815,745 as current assets increased by \$737,125 and capital assets, net increased by \$78,620.

The School Board had \$11,481,528 in expenses; only \$3,198,037 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$9,082,385 were adequate to provide for these programs.

Among major funds, the General Fund had \$10,417,029 in revenues and \$9,838,709 in expenditures and transfers. The General Fund's balance increased \$578,320 over June 30, 2024. The General Fund's balance is \$4,041,171.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statement

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

Governmental Funds

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

Enterprise Fund

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

The School Board as a Whole

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

Table 1 provides a summary comparison of the School Board's net position for June 30, 2025 and 2024.

Table 1

Net Position as of June 30, 2025 and June 30, 2024

	June 30, 2025			June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 4,298,391	\$ 174,080	\$ 4,472,471	\$ 3,548,287	\$ 187,059	\$ 3,735,346
Capital assets, net	<u>5,167,062</u>	<u>26,933</u>	<u>5,193,995</u>	<u>5,084,209</u>	<u>31,166</u>	<u>5,115,375</u>
Total assets	9,465,453	201,013	9,666,466	8,632,496	218,225	8,850,721
Deferred outflow of resources	<u>172,129</u>	<u>-</u>	<u>172,129</u>	<u>263,728</u>	<u>-</u>	<u>263,728</u>
Liabilities:						
Current liabilities	105,110	187,039	292,149	32,711	178,776	211,487
Long-term liabilities outstanding	<u>1,481,895</u>	<u>-</u>	<u>1,481,895</u>	<u>1,596,305</u>	<u>-</u>	<u>1,596,305</u>
Total liabilities	1,587,005	187,039	1,774,044	1,629,016	178,776	1,807,792
Deferred inflow of resources	<u>160,069</u>	<u>-</u>	<u>160,069</u>	<u>201,069</u>	<u>-</u>	<u>201,069</u>
Net position:						
Net investment in capital assets	4,762,062	26,933	4,788,995	4,609,209	31,166	4,640,375
Restricted	4,517,950	-	4,517,950	3,771,821	-	3,771,821
Unrestricted	<u>(1,389,504)</u>	<u>(12,959)</u>	<u>(1,402,463)</u>	<u>(1,314,891)</u>	<u>8,283</u>	<u>(1,306,608)</u>
Total Net Position	<u>\$ 7,890,508</u>	<u>\$ 13,974</u>	<u>\$ 7,904,482</u>	<u>\$ 7,066,139</u>	<u>\$ 39,449</u>	<u>\$ 7,105,588</u>

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

The School Board's combined net position was \$7,904,482 on June 30, 2025. This is a change of 11.24% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2025 and 2024.

Table 2

Changes in Net Position

	June 30, 2025			June 30, 2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 3,035	\$ 22,459	\$ 25,494	\$ 4,950	\$ 4,787	\$ 9,737
Operating and capital grants and contributions	2,947,170	225,373	3,172,543	2,843,270	209,623	3,052,893
General revenues:						
Property taxes	2,905,818	-	2,905,818	3,007,393	-	3,007,393
Federal and state aid	5,981,340	-	5,981,340	5,753,734	-	5,753,734
Investment earnings	143,444	-	143,444	120,904	-	120,904
Miscellaneous	51,783	-	51,783	185,968	-	185,968
Total revenues	12,032,590	247,832	12,280,422	11,916,219	214,410	12,130,629
Expenses						
Instructional services	3,572,856	-	3,572,856	3,467,386	-	3,467,386
Support services	7,622,000	273,307	7,895,307	7,537,141	276,365	7,813,506
Interest on long-term liabilities	13,365	-	13,365	14,138	-	14,138
Total expenses	11,208,221	273,307	11,481,528	11,018,665	276,365	11,295,030
Change in net position	824,369	(25,475)	798,894	897,554	(61,955)	835,599
Net position - beginning	7,066,139	39,449	7,105,588	6,168,585	101,404	6,269,989
Net position (deficit) - ending	\$ 7,890,508	\$ 13,974	\$ 7,904,482	\$ 7,066,139	\$ 39,449	\$ 7,105,588

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

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

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

Expenses for Fiscal Year June 30, 2025

Business-Type Activities

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

Total Enterprise Fund expenses exceeded revenues by \$25,475.

Charges for services represent \$22,459 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including interest, payments for free and reduced lunches and donated commodities was \$225,373.

Governmental Activities

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

Table 3

Governmental Activities

	<u>2025</u>		<u>2024</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 3,572,856	\$ 2,885,844	\$ 3,467,386	\$ 2,713,518
Support Services:				
Pupils and Instructional Staff	5,914,291	3,651,098	5,796,428	3,702,076
General Administration,				
School Administration,				
Business Operation				
and Maintenance				
of Facilities	1,387,273	1,387,273	1,473,247	1,473,247
Pupil Transportation	320,436	320,436	267,466	267,466
Interest and Fiscal Charges	<u>13,365</u>	<u>13,365</u>	<u>14,138</u>	<u>14,138</u>
Total Expenses	<u>\$ 11,208,221</u>	<u>\$ 8,258,016</u>	<u>\$ 11,018,665</u>	<u>\$ 8,170,445</u>

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

Governmental Activities (cont'd)

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

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

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

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

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

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

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2025, it reported a combined fund balance of \$4,201,236, which is an increase of \$676,321. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2025.

<u>Revenue</u>	<u>2025 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 3,103,250	25.79 %	\$ (215,965)	(6.51)%
State Sources	8,530,445	70.90	476,930	5.92
Federal Sources	<u>398,065</u>	<u>3.31</u>	<u>(145,424)</u>	<u>(26.76)</u>
Total	<u>\$ 12,031,760</u>	<u>100.00 %</u>	<u>\$ 115,541</u>	<u>0.97 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2025.

<u>Expenditures</u>	<u>2025 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2024</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 3,572,856	31.47 %	\$ 105,470	3.04 %
Undistributed Expenditures	7,450,549	65.61	142,153	1.95
Capital Outlay	248,115	2.18	(1,065,612)	(81.11)
Debt Service:				
Principal	70,000	0.62	-	-
Interest	<u>13,919</u>	<u>0.12</u>	<u>(1,575)</u>	<u>(10.17)</u>
Total	\$ <u>11,355,439</u>	<u>100.00 %</u>	\$ <u>(819,564)</u>	<u>(6.73)%</u>

General Fund Budgeting Highlights

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

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

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

The General Fund finished the fiscal year approximately \$709,471 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$282,257 better than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

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

Excess Surplus - Designated for Subsequent Year	
Expenditures	\$ 122,541
Capital Reserve	3,553,719
Maintenance Reserve	234,319
Tuition Reserve	331,000
Excess Surplus - Current Year	<u>116,306</u>
Total Restricted Fund Balance	\$ <u>4,357,885</u>

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

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

The excesses will be carried forward into the beginning fund balance from the 2024-2025 fiscal year and will be used to reduce the local tax levy for the 2026-2027 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2025, the School Board had \$5,193,995 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2025 and June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Construction in Progress	1,310,459	1,077,487	-	-	1,310,459	1,077,487
Building and Improvements	3,732,395	3,856,591	-	-	3,732,395	3,856,591
Machinery and Equipment	124,208	150,131	26,933	31,166	151,141	181,297
Total	<u>\$ 5,167,062</u>	<u>\$ 5,084,209</u>	<u>\$ 26,933</u>	<u>\$ 31,166</u>	<u>\$ 5,193,995</u>	<u>\$ 5,115,375</u>

During the current fiscal year, \$33,870 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

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

	June 30, 2025	June 30, 2024
Bonds Payable (net)	\$ 405,000	\$ 475,000
Pension Liability-PERS	929,929	980,680
Compensated Absences payable	<u>146,966</u>	<u>140,625</u>
Total long-term liabilities	<u>\$ 1,481,895</u>	<u>\$ 1,596,305</u>

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

Economic Factors and Next Year's Budget

For the 2024-2025 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 74.21% of the School Board's revenue is from federal and state (restricted and not restricted), while 25.79% of total revenue is from local sources.

The \$(1,389,504) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2024-2025 budget was adopted in March 2024 based in part on the state education aid the School Board anticipated receiving. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the City of Beverly for increased aid.

The School Board anticipates a slight increase in enrollment for the 2025-2026 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

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

BASIC FINANCIAL STATEMENTS

BEVERLY CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,774,973	\$ 152,954	\$ 3,927,927
Receivables - state	129,708	559	130,267
Receivables - federal	-	11,524	11,524
Receivables - other	233,074	-	233,074
Interfund receivable	160,636	-	160,636
Inventories	-	9,043	9,043
Capital assets, non-depreciable	1,310,459	-	1,310,459
Capital assets, depreciable, net	3,856,603	26,933	3,883,536
Total assets	<u>9,465,453</u>	<u>201,013</u>	<u>9,666,466</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	172,129	-	172,129
	<u>172,129</u>	<u>-</u>	<u>172,129</u>
LIABILITIES			
Interfund payable	-	160,636	160,636
Other liabilities	105,110	26,403	131,513
Noncurrent liabilities:			
Due within one year	91,265	-	91,265
Due beyond one year	1,390,630	-	1,390,630
Total liabilities	<u>1,587,005</u>	<u>187,039</u>	<u>1,774,044</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	160,069	-	160,069
	<u>160,069</u>	<u>-</u>	<u>160,069</u>
NET POSITION			
Net investment in capital assets	4,762,062	26,933	4,788,995
Restricted for:			
Capital projects	3,704,011	-	3,704,011
Debt service	-	-	-
Other purposes	813,939	-	813,939
Unrestricted	(1,389,504)	(12,959)	(1,402,463)
Total net position	<u>\$ 7,890,508</u>	<u>\$ 13,974</u>	<u>\$ 7,904,482</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 2,788,066		\$ 687,012	\$ -	\$ (2,101,054)	\$ -	\$ (2,101,054)
Special education instruction	547,083	-	-	-	(547,083)	-	(547,083)
Other special instruction	237,707	-	-	-	(237,707)	-	(237,707)
Support services and undistributed costs:							
Instruction	2,609,627	-	-	-	(2,609,627)	-	(2,609,627)
Attendance and social work	42,285	-	-	-	(42,285)	-	(42,285)
Health services	185,967	-	-	-	(185,967)	-	(185,967)
Other support services	1,305,797	3,035	508,195	-	(794,567)	-	(794,567)
Educational media services	-	-	-	-	-	-	-
Instruction staff training	18,652	-	-	-	(18,652)	-	(18,652)
General administrative services	232,678	-	-	-	(232,678)	-	(232,678)
School administrative services	29,091	-	-	-	(29,091)	-	(29,091)
Central services	127,297	-	-	-	(127,297)	-	(127,297)
Admin. information technology	7,652	-	-	-	(7,652)	-	(7,652)
Allowed maintenance for school facilities	160,790	-	-	-	(160,790)	-	(160,790)
Other operation & maintenance of plant	709,920	-	-	-	(709,920)	-	(709,920)
Student transportation services	320,436	-	-	-	(320,436)	-	(320,436)
Unallocated employee benefits	119,845	-	-	-	(119,845)	-	(119,845)
Non-budgeted expenses	1,751,963	-	1,751,963	-	-	-	-
Interest expense	13,365	-	-	-	(13,365)	-	(13,365)
Total governmental activities	11,208,221	3,035	2,947,170	-	(8,258,016)	-	(8,258,016)
Business-type activities:							
Enterprise fund	273,307	22,459	225,373	-	-	(25,475)	(25,475)
Total business-type activities	273,307	22,459	225,373	-	-	(25,475)	(25,475)
Total primary government	\$ 11,481,528	\$ 25,494	\$ 3,172,543	\$ -	\$ (8,258,016)	\$ (25,475)	\$ (8,283,491)
General revenues:							
Taxes:							
Property taxes levied for general purpose					\$ 2,821,899	\$ -	\$ 2,821,899
Taxes levied for debt service					83,919	-	83,919
Federal and state aid not restricted					5,981,340	-	5,981,340
Miscellaneous income					51,783	-	51,783
Investment earnings					143,444	-	143,444
Total general revenues					9,082,385	-	9,082,385
Change in net position					824,369	(25,475)	798,894
Net position—July 1					7,066,139	39,449	7,105,588
Net position—ending					\$ 7,890,508	\$ 13,974	\$ 7,904,482

BEVERLY CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,614,908	\$ 9,773	\$ 150,292	\$ -	\$ 3,774,973
Cash on hand with fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Capital reserve	-	-	-	-	-
Interfund receivable	160,636	-	-	-	160,636
Receivables from federal	-	-	-	-	-
Receivables from State	129,708	-	-	-	129,708
Other receivables	233,074	-	-	-	233,074
Total assets	<u>4,138,326</u>	<u>9,773</u>	<u>150,292</u>	<u>-</u>	<u>4,298,391</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund payable	-	-	-	-	-
Payroll deductions and withholdings payable	97,155	-	-	-	97,155
Total liabilities	<u>97,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,155</u>
Fund Balances:					
Restricted for:					
Excess surplus - current year	116,306	-	-	-	116,306
Excess surplus - prior year- designated for					
Subsequent year's expenditures	122,541	-	-	-	122,541
Capital reserve account	3,553,719	-	-	-	3,553,719
Maintenance reserve account	234,319	-	-	-	234,319
Tuition reserve account	331,000	-	-	-	331,000
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	150,292	-	150,292
Student Activities	-	9,773	-	-	9,773
Committed to:					
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Designated by the BOE for subsequent					
year's expenditures	78,546	-	-	-	78,546
Unassigned:					
General fund	(395,260)	-	-	-	(395,260)
Total fund balances	<u>4,041,171</u>	<u>9,773</u>	<u>150,292</u>	<u>-</u>	<u>4,201,236</u>
Total liabilities and fund balances	<u>\$ 4,138,326</u>	<u>\$ 9,773</u>	<u>\$ 150,292</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,167,062
Deferred outflows related to the PERS pension plan	172,129
Deferred inflows related to the PERS pension plan	(160,069)
Bond premium received upon issuance of debt.	(3,870)
Accrued interest for the interest due this year but not paid until next year.	(4,085)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds	<u>(1,481,895)</u>
Net position of governmental activities	<u>\$ 7,890,508</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 2,821,899	\$ -	\$ -	\$ 83,919	\$ 2,905,818
Tuition charges	-	-	-	-	-
Interest on investments	23,992	-	-	-	23,992
Interest earned on capital reserve funds	110,874	-	-	-	110,874
Interest earned on maintenance reserve funds	8,578	-	-	-	8,578
Miscellaneous	50,953	3,035	-	-	53,988
Total - local sources	3,016,296	3,035	-	83,919	3,103,250
State sources	7,353,240	844,635	332,570	-	8,530,445
Federal sources	47,493	350,572	-	-	398,065
Total revenues	10,417,029	1,198,242	332,570	83,919	12,031,760
EXPENDITURES					
Current:					
Regular instruction	2,101,054	687,012	-	-	2,788,066
Special education instruction	547,083	-	-	-	547,083
Other special instruction	190,229	-	-	-	190,229
School sponsored/other instructional	47,478	-	-	-	47,478
Undistributed - current:					
Instruction	2,609,627	-	-	-	2,609,627
Attendance and social work services	42,285	-	-	-	42,285
Health services	185,967	-	-	-	185,967
Other support services	792,970	512,827	-	-	1,305,797
Educational media services	-	-	-	-	-
Instruction staff training	18,652	-	-	-	18,652
General administrative services	232,678	-	-	-	232,678
School administrative services	29,091	-	-	-	29,091
Central services	127,297	-	-	-	127,297
Admin. info. technology	7,652	-	-	-	7,652
Allowed maintenance for school facilities	160,790	-	-	-	160,790
Other operation & maintenance of plant	544,658	-	-	-	544,658
Student transportation services	320,436	-	-	-	320,436
Unallocated employee benefits	113,656	-	-	-	113,656
Non-budgeted expenditures	1,751,963	-	-	-	1,751,963
Debt service:					
Principal	-	-	-	70,000	70,000
Interest and other charges	-	-	-	13,919	13,919
Capital outlay	15,143	-	232,972	-	248,115
Total expenditures	9,838,709	1,199,839	232,972	83,919	11,355,439
Excess (deficiency) of revenues over expenditures	578,320	(1,597)	99,598	-	676,321
Net change in fund balances	578,320	(1,597)	99,598	-	676,321
Fund balance—July 1	3,462,851	11,370	50,694	-	3,524,915
Fund balance—June 30	\$ 4,041,171	\$ 9,773	\$ 150,292	\$ -	\$ 4,201,236

BEVERLY CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Total net change in fund balances - governmental funds (from B-2)	\$	676,321
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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	(183,989)	
Capital outlays	<u>266,842</u>	82,853

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey		152
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		70,000
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Payment of a long-term liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		830
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In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used, essentially, the amounts actually paid. This year, sick leave was increased.		<u>(5,787)</u>
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Change in net position of governmental activities	\$	<u>824,369</u>
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BEVERLY CITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2025

	<u>Food Service</u>	<u>Total</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 152,954	\$ 152,954
Investments	-	-
Interfund receivable	-	-
Receivable from state	559	559
Receivable from federal	11,524	11,524
Inventories	9,043	9,043
Total current assets	<u>174,080</u>	<u>174,080</u>
Noncurrent assets:		
Furniture, machinery and equipment	104,712	104,712
Less accumulated depreciation	<u>(77,779)</u>	<u>(77,779)</u>
Total noncurrent assets	<u>26,933</u>	<u>26,933</u>
Total assets	<u><u>201,013</u></u>	<u><u>201,013</u></u>
LIABILITIES		
Current liabilities:		
Deferred revenue	26,403	26,403
Interfund payable	160,636	160,636
Total current liabilities	<u>187,039</u>	<u>187,039</u>
NET POSITION		
Investment in capital assets	26,933	26,933
Unrestricted	<u>(12,959)</u>	<u>(12,959)</u>
Total net position	<u>13,974</u>	<u>13,974</u>
Total liabilities and net position	<u><u>\$ 201,013</u></u>	<u><u>\$ 201,013</u></u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	<u>Food Service</u>	<u>Total</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 11,978	\$ 11,978
Daily sales - non-reimbursable programs	10,481	10,481
Total operating revenues	<u>22,459</u>	<u>22,459</u>
Operating expenses:		
Cost of sales - reimbursement programs	62,917	62,917
Cost of sales - non-reimbursement programs	55,050	55,050
Salaries	94,505	94,505
Employee benefits	18,428	18,428
Purchased property service	5,633	5,633
Management fee	23,000	23,000
General supplies	9,541	9,541
Depreciation	4,233	4,233
Total Operating Expenses	<u>273,307</u>	<u>273,307</u>
Operating income (loss)	<u>(250,848)</u>	<u>(250,848)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	10,473	10,473
P-EBT	321	321
Federal sources:		
National school lunch program	136,368	136,368
National school breakfast program	39,407	39,407
USDA Local	1,116	1,116
Supply Chain Assistance	-	-
P-EBT	322	322
Food distribution program	37,105	37,105
Interest Income	261	261
Total nonoperating revenues (expenses)	<u>225,373</u>	<u>225,373</u>
Change in net position	<u>(25,475)</u>	<u>(25,475)</u>
Total net position—beginning	39,449	39,449
Total net position—ending	<u>\$ 13,974</u>	<u>\$ 13,974</u>

BEVERLY CITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	<u>Food Service</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 30,722	\$ 30,722
Payments to employees	(94,505)	(94,505)
Payments for employee benefits	(18,428)	(18,428)
Payments to suppliers	(119,110)	(119,110)
Net cash provided by (used in) operating activities	<u>(201,321)</u>	<u>(201,321)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	11,163	11,163
Federal sources	176,539	176,539
Interest income	261	261
Net cash provided by (used in) non-capital financing activities	<u>187,963</u>	<u>187,963</u>
 Net increase (decrease) in cash and cash equivalents	 (13,358)	 (13,358)
Balances—beginning of year	166,312	166,312
Balances—end of year	<u>\$ 152,954</u>	<u>\$ 152,954</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (250,848)	\$ (250,848)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	4,233	4,233
Federal commodities	37,105	37,105
(Increase) decrease in inventories	(74)	(74)
Increase (decrease) in Unearned Revenues	8,263	8,263
Total adjustments	<u>49,527</u>	<u>49,527</u>
Net cash provided by (used in) operating activities	<u>\$ (201,321)</u>	<u>\$ (201,321)</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Beverly City School District is a Type II district located in the county of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year staggered terms. The purpose of the District is to educate students in grades PreK-8. The Beverly City School District had an approximate enrollment of 375 students at June 30, 2025.

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include an elementary/junior high school located in Beverly. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

B. Basis of Presentation (cont'd):

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

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

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

B. Basis of Presentation (Cont'd):

The District reports the following governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated Fund Balance. Expenditures are those that result in the acquisition of or additions to Capital Assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

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

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

B. Basis of Presentation (Cont'd):

The District reports the following proprietary funds:

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

Equipment	5-20 Years
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Additionally, the District reports the following fund type:

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

C. Basis of Accounting

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

C. Basis of Accounting (Cont'd)

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

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

D. Property Taxes

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

E. Budgets/Budgetary Control

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

E. Budgets/Budgetary Control (Cont'd)

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

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

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned revenues at fiscal year-end.

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

G. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:2037 provides a list of permissible investments that may be purchased by New Jersey school districts

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

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

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

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

H. Interfund Transactions

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

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

I. Inventories

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

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

J. Deferred Outflows/Inflows of Resources

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

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

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

K. Capital Assets

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

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

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

L. Compensated Absences

The District accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by the Governmental Accounting Board. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the employees earn the rights to the benefits.

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

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

The liability for vested compensated absences of the proprietary fund-types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the Food Service Fund.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

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

M. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2025 operations, have been recorded as unearned revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned Revenue.

N. Accrued Liabilities and Long-Term Obligations

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

O. Pensions

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

P. Net Position

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

Q. Fund Balance Reserves

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

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

R. Revenues - Exchange and Nonexchange Transactions

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

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

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

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

S. Operating Revenues and Expenses

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

T. Allocation of Indirect Expenses

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

U. 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.

V. 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.

W. GASB Pronouncements

Adopted Accounting Pronouncements

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

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

W. GASB Pronouncements (Cont'd)

Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Management has determined the implementation of this Statement did not have a significant impact on the District's financial statements.

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model. The purposes of the improvements are to (a) enhance the effectiveness of the financial reporting model in providing information that is essential for decision making and assessing a government's accountability and (b) address certain application issues identified through preagenda research conducted by the GASB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

2. Capital Reserve Account

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

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

2. Capital Reserve Account (Cont'd)

The activity of the Capital Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance July 1, 2024	\$ 2,917,845
Add: Increase per Resolution	525,000
Interest Earned	110,874
Less: Withdrawals	-
Ending balance, June 30, 2025	<u>\$ 3,553,719</u>

3. Maintenance Reserve Account

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

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

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2025.

The activity of the Maintenance Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 225,741
Add: Increase per Resolution	-
Interest Earned	8,578
Less: Withdrawals	-
Ending balance, June 30, 2025	<u>\$ 234,319</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

4. Tuition Reserve Account

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

The activity of the Tuition Reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning balance, July 1, 2024	\$ 331,000
Add: Increase per Resolution	140,000
Less: Withdrawal	<u>(140,000)</u>
Ending balance, June 30, 2025	<u>\$ 331,000</u>

5. Transfers to Capital Outlay

During the year ending June 30, 2025, the District did not transfer funds to the Capital Outlay Account.

6. Cash, Cash Equivalents and Investments

Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-414 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the ACT, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA., However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the School District's bank balance of \$5,538,651 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 5,367,020
Uninsured and Uncollateralized	<u>171,631</u>
	<u>\$ 5,538,651</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

7. Receivables

Receivables at June 30, 2025, consisted of state aid, accrued interest, interfund, intergovernmental, and other. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
Property Taxes	\$ 233,074	\$ 233,074
State Aid	129,708	130,267
Federal Aid	-	11,524
Interfunds	<u>160,636</u>	<u>160,636</u>
	523,418	535,501
Less: Allowance for Credit Losses	<u>-</u>	<u>-</u>
Total Receivables, Net	\$ <u>523,418</u>	\$ <u>535,501</u>

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

8. Capital Assets

The following schedule is a summarization of the general fixed assets by source for the fiscal year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Construction in Progress	\$ <u>1,077,487</u>	\$ <u>232,972</u>	\$ <u>-</u>	\$ <u>1,310,459</u>
Total Capital Assets Not Being Depreciated	<u>1,077,487</u>	<u>232,972</u>	<u>-</u>	<u>1,310,459</u>
Capital Assets Being Depreciated				
Site Improvements	\$ <u>84,750</u>	<u>-</u>	<u>-</u>	\$ <u>84,750</u>
Building and Building Improvements	<u>5,361,840</u>	<u>33,870</u>	<u>-</u>	<u>5,395,710</u>
Machinery and Equipment	<u>565,651</u>	<u>-</u>	<u>-</u>	<u>565,651</u>
Totals at Historical Cost	<u>6,012,241</u>	<u>33,870</u>	<u>-</u>	<u>6,046,111</u>
Less Accumulated Depreciation for:				
Site Improvements	<u>(84,750)</u>	<u>-</u>	<u>-</u>	<u>(84,750)</u>
Building and Building Improvements	<u>(1,505,249)</u>	<u>(158,066)</u>	<u>-</u>	<u>(1,663,315)</u>
Machinery and Equipment	<u>(415,520)</u>	<u>(25,923)</u>	<u>-</u>	<u>(441,443)</u>
Total Accumulated Depreciation	<u>(2,005,519)</u>	<u>(183,989)</u>	<u>-</u>	<u>(2,189,508)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>4,006,722</u>	<u>(150,119)</u>	<u>-</u>	<u>3,856,603</u>
Government Activity Capital Assets, Net	\$ <u><u>5,084,209</u></u>	\$ <u><u>82,853</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,167,062</u></u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Equipment	<u>104,712</u>	<u>-</u>	<u>-</u>	<u>104,712</u>
Less Accumulated Depreciation	<u>(73,546)</u>	<u>(4,233)</u>	<u>-</u>	<u>(77,779)</u>
Enterprise Fund Capital Assets, Net	\$ <u><u>31,166</u></u>	\$ <u><u>(4,233)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>26,933</u></u>

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

Depreciation expense was charged to functions as follows:

Other operation and maintenance of plant	\$ <u>183,989</u>
Total	\$ <u><u>183,989</u></u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

9. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2025 consist of the following:

\$ <u>160,636</u>	Due to General Fund from Enterprise Fund representing cash advance.
\$ <u>160,636</u>	

10. Inventory

As of June 30, 2025, the District had the following inventory:

Food	\$ 7,523
Supplies	<u>1,520</u>
	<u>\$ 9,043</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity

Changes in Long-Term Obligations for the year ended June 30, 2025, are as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated				
Absences Payable	\$ 140,625	\$ 6,341	\$ 146,966	\$ 16,265
Bonds Payable	475,000	(70,000)	405,000	75,000
Pension liability -				
PERS	<u>980,680</u>	<u>(50,751)</u>	<u>929,929</u>	<u>-</u>
	<u>\$ 1,596,305</u>	<u>\$ (114,410)</u>	<u>\$ 1,481,895</u>	<u>\$ 91,265</u>

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

11. Long-Term Obligations (continued)

B. Unfunded Pension Liability

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

C. Debt Service Requirements

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

2015 School Bonds

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

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

11. Long-Term Obligations (continued)

C. Debt Service Requirements (continued)

Redemption

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

Debt Service Requirements on serial bonds payable at June 30, 2025 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 75,000	\$ 11,506	\$ 86,506
2027	80,000	9,206	89,206
2028	80,000	6,810	86,810
2029	85,000	4,353	89,353
2030	<u>85,000</u>	<u>1,771</u>	<u>86,771</u>
	<u>\$ 405,000</u>	<u>\$ 33,646</u>	<u>\$ 438,646</u>

D. Bonds Authorized But Not Issued

As of June 30, 2025, the District had no authorized but not issued bonds.

E. Capital Leases

As of June 30, 2025, the District had no capital leases.

12. Operating Leases

As of June 30, 2025, the District had various operating leases.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS, its participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2025, the School District reported a liability of \$929,929 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was .0068437274%, which was an increase of .00007312% from its proportion measured as of June 30, 2023.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

For the year ended June 30, 2025, the School District recognized full accrual pension expense of \$188,726 in the government-wide financial statements consisting of employer contributions of \$95,602 and non-employer contributions of \$93,124. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,628	\$ 2,476
Changes of assumptions	1,155	10,580
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	58,179	103,895
District contributions subsequent to the measurement date	94,167	-
Total	<u>\$ 172,129</u>	<u>\$ 116,951</u>

\$94,167 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (89,083)
2026	68,929
2027	(39,656)
2028	(22,894)
2029	597
Total	<u>\$ (82,107)</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

Special Funding Situation - Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$2,998

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.63
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the 2024, 2023, 2022, 2021, 2020, and 2019, respectively.

Actuarial Assumptions - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

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

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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, 2024 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75 %	8.85 %
International Small Cap Equity	1.25 %	8.85 %
Emerging Markets Equity	5.50 %	10.66 %
Private Equity	13.00 %	12.40 %
Real Estate	8.00 %	8.20 %
Real Assets	3.00 %	10.95 %
High Yield	4.50 %	6.74 %
Private Credit	8.00 %	8.90 %
Investment Grade Credit	7.00 %	5.37 %
Cash Equivalents	2.00 %	3.57 %
U.S. Treasuries	4.00 %	3.57 %
Risk Mitigation Strategies	3.00 %	7.10 %

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	1,246,048	929,929	675,402

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

	<u>6/30/25</u>	<u>6/30/24</u>
Collective Deferred Outflows of Resources	1,079,580,780	1,080,204,730
Collective Deferred Inflows of Resources	1,611,322,898	1,780,216,457
Collective Net Pension Liability	13,702,423,985	14,606,489,066
School District's Portion	.0068437274%	.0067706064%

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF)

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

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

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

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2025 was \$11,924,886. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was .0241271836%, which was an decrease of .0039417484% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense in the amount of \$1,159,743 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2024 measurement date.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2023 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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75 %	8.85 %
International Small Cap Equity	1.25 %	8.85 %
Emerging Markets Equity	5.50 %	10.66 %
Private Equity	13.00 %	12.40 %
Real Assets	3.00 %	8.20 %
Real Estate	8.00 %	10.95 %
High Yield	4.50 %	6.74 %
Private Credit	8.00 %	8.90 %
Investment Grade Credit	7.00 %	5.37 %
Cash Equivalents	2.00 %	3.57 %
U.S. Treasuries	4.00 %	3.57 %
Risk Mitigation Strategies	3.00 %	7.10 %

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions to the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's proportionate share of the net pension liability	14,193,620	11,924,886	10,043,947

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

13. Pension Plans (cont'd)

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

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

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

	<u>6/30/25</u>	<u>6/30/24</u>
Collective Deferred Outflows of Resources	1,178,433,819	2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
School District's Portion	.0241271836%	.028068932%

C. Defined Contribution Retirement Plan (DCRP)

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

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

The District's contributions to the DCRP for June 30, 2025 were \$13,138. There was no liability for unpaid contributions at June 30, 2025.

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

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

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

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

Basis of Presentation

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

State Health Benefit State Retired Employees Plan

General Information about the OPEB Plan (cont'd)

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2024 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 at <https://www.state.nj.us/treasury/pensions/financialreports.shtml>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

General Information about the OPEB Plan (cont'd)

Employees covered by benefit terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	153,556
Active plan members	<u>219,185</u>
Total	<u><u>372,741</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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:

Salary increases based on years of service:	PERS 2.75%-6.55%
	PFRS 3.25%-16.25%
	TPAF 2.75%-5.65%
Discount Rate	3.93%
Healthcare Cost Trend Rates	4.5%-6.5%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

Total Nonemployer OPEB Liability (cont'd)

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

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Balance at June 30, 2023	\$ 52,361,668,239
Changes for the year:	
Service cost	2,152,062,729
Interest on the total OPEB liability	1,963,557,443
Changes of benefit terms	-
Differences between expected and actual experiences	158,934,425
Changes in assumptions	4,462,660,491
Gross benefit payments by the state	(1,499,600,607)
Contributions from members	<u>51,347,810</u>
Net changes	<u>7,288,962,291</u>
Balance at June 30, 2024	<u>\$ 59,650,630,530</u>

Discount rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

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

The following presents the June 30, 2024 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability of the State for School Retirees	\$69,863,663,542	\$59,650,630,530	\$51,437,232,141
Total OPEB Liability of the State Associated with the School District for School Retirees	\$14,589,296	\$12,456,557	\$10,741,392

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The following presents the June 30, 2024 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$49,689,409,509	\$59,650,630,530	\$72,625,778,279
Total OPEB Liability of the State Associated with the School District for School Retirees	\$10,376,403	\$12,456,557	\$2,709,538

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

14. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2025, the board of education recognized OPEB expense of \$338,878 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the Beverly City School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$6,378,932,312	\$11,139,706,892
Changes of assumptions	10,004,978,073	11,662,607,882
Contributions made in fiscal year ending 2025 after June 30, 2024 measurement date	-	-
Total	<u>\$16,383,910,385</u>	<u>\$ 22,802,314,774</u>

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

Year ended June 30:	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
Total	<u>\$ (6,418,404,389)</u>

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

15. Deferred Compensation

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

Lincoln Investments
VOYA 403b

AXA Equitable
Teachers Pension/WCC

16. Risk Management

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

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

17. Contingent Liabilities

Grant Programs

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

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

18. Fund Balances

General Fund - of the \$4,041,171 General Fund balance at June 30, 2025, \$3,553,719 is restricted for capital reserve, \$234,319 is restricted for maintenance reserve, \$331,000 is restricted for tuition reserve, \$116,306 is restricted for excess surplus, \$122,541 is restricted for excess surplus for subsequent year expenditures, \$78,546 has been classified as assigned fund balance designated for subsequent year expenditures, and \$(395,260) is unassigned.

Special Revenue Fund - of the \$9,773 Special Revenue Fund balance at June 30, 2025, \$9,773 is restricted for the use of student activities.

Beverly City School District
Notes to Financial Statements
For the Year Ended June 30, 2025

19. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2025 is \$116,306.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2025. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open years prior to June 30, 2022.

21. Subsequent Events

Management has evaluated subsequent events through December 5, 2025, the date the financial statements were available to be issued.

22. Tax Abatement

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

23. Economic Dependency

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

Beverly City School District

Notes to Financial Statements

For the Year Ended June 30, 2025

24. Deficit Fund Balance

The District has a deficit fund balance of \$395,260 in the General Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal June 30, 2024 year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$395,260 is less than the last state aid payment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,796,899	\$ -	\$ 2,796,899	\$ 2,821,899	\$ 25,000
Tuition - residents	-	-	-	-	-
Interest	-	-	-	23,992	23,992
Interest earned on maintenance reserve	100	(100)	-	8,578	8,578
Interest earned on capital reserve funds	100	(100)	-	110,874	110,874
Miscellaneous	2,001	12,807	14,808	50,953	36,145
Total - local sources	2,799,100	12,607	2,811,707	3,016,296	204,589
State sources:					
Transportation aid	193,173	-	193,173	193,173	-
Special education aid	182,606	-	182,606	182,606	-
Equalization aid	5,446,194	-	5,446,194	5,446,194	-
Categorical security	105,269	-	105,269	105,269	-
Adjustment aid	758,309	-	758,309	758,309	-
Extraordinary aid	65,000	-	65,000	107,121	42,121
Other state aid	12,607	(12,607)	-	-	-
Non-public transportation	-	-	-	10,274	10,274
TPAF - LTDI (on-behalf - Non-budgeted)	-	-	-	712	712
TPAF - post retirement medical (on-behalf - Non-budgeted)	-	-	-	338,878	338,878
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,159,743	1,159,743
TPAF social security (reimbursed - Non-budgeted)	-	-	-	252,630	252,630
Total state sources	6,763,158	(12,607)	6,750,551	8,554,909	1,804,358
Federal Sources					
Impact Aid	22,220	-	22,220	37,554	15,334
Medicaid reimbursement	-	-	-	9,939	9,939
Total Federal Sources	22,220	-	22,220	47,493	25,273
Total revenues	9,584,478	-	9,584,478	11,618,698	2,034,220
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of teachers	153,772	11,500	165,272	155,499	9,773
Local Contrib. - Trans to Special Rev- Inclusion	61,428	(61,428)	-	-	-
Grades 1-5 - Salaries of teachers	755,251	70,740	825,991	816,538	9,453
Grades 6-8 - Salaries of teachers	586,644	(800)	585,844	583,134	2,710
Regular Programs - Home Instruction:					
Salaries of teachers	3,000	-	3,000	1,742	1,258
Purchased professional-educational services	3,000	-	3,000	-	3,000
Regular Programs - Undistributed Instruction					
Other salaries for instruction	344,757	(23,907)	320,850	297,081	23,769
Purchased professional-educational services	75,000	(72,200)	2,800	-	2,800
Purchased technical services	60,000	15,200	75,200	74,817	383
Other purchased services (400-500 series)	40,000	-	40,000	36,420	3,580
General supplies	90,000	7,500	97,500	93,116	4,384
Textbooks	42,506	999	43,505	42,707	798
Other objects - misc. exp.	6,000	(1,000)	5,000	-	5,000
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,221,358	(53,396)	2,167,962	2,101,054	66,908
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of teachers	177,147	32,000	209,147	206,665	2,482
Other salaries for instruction	-	300	300	300	-
General supplies	1,000	-	1,000	-	1,000
Total Learning and/or Language Disabilities	178,147	32,300	210,447	206,965	3,482
Resource Room/Resource Center:					
Salaries of teachers	362,182	(21,425)	340,757	332,296	8,461
Other salaries for instruction	-	7,300	7,300	7,221	79
General supplies	6,000	(2,100)	3,900	601	3,299
Total Resource Room/Resource Center	368,182	(16,225)	351,957	340,118	11,839
TOTAL SPECIAL EDUCATION - INSTRUCTION	546,329	16,075	562,404	547,083	15,321
Basic Skills/Remedial - Instruction					
Salaries of teachers	134,242	(2,000)	132,242	112,228	20,014
Total Basic Skills/Remedial - Instruction	134,242	(2,000)	132,242	112,228	20,014
Bilingual Education - Instruction					
Salaries of teachers	78,001	-	78,001	78,001	-
Total Bilingual Education - Instruction	78,001	-	78,001	78,001	-

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-curricular-Instruction					
Salaries	\$ 10,000	\$ 5,950	\$ 15,950	\$ 15,886	\$ 64
Purchased Services (300-500) Series	3,000	19,500	22,500	22,289	211
Total School Sponsored Co-curricular-Instruction	13,000	25,450	38,450	38,175	275
School-Spon. Athletics - Instruction					
Salaries	5,000	250	5,250	5,232	18
Supplies and materials	4,000	100	4,100	4,071	29
Total School-Spon. Athletics - Instruction	9,000	350	9,350	9,303	47
Total Instruction	3,001,930	(13,521)	2,988,409	2,885,844	102,565
Undistributed Expenditures - Instruction:					
Tuition to other LEAs within the state-regular	383,518	231,000	614,518	606,871	7,647
Tuition to other LEAs within the state - special	711,231	(2,500)	708,731	690,218	18,513
Tuition to County Voc. School Dist-regular	262,683	-	262,683	262,683	-
Tuition to CSSD & Reg. Day Schools	1,263,032	(293,250)	969,782	965,975	3,807
Tuition to private schools for the disabled - Within state	134,841	(60,000)	74,841	46,316	28,525
Tuition - State Facilities	37,564	11,817	49,381	37,564	11,817
Tuition - Other	12,607	(12,607)	-	-	-
Total Undistributed Expenditures - Instruction:	2,805,476	(125,540)	2,679,936	2,609,627	70,309
Undist. Expend. - Attend & Social Work					
Salaries	35,625	6,700	42,325	42,285	40
Purchased professional and technical services	2,000	(1,910)	90	-	90
Total Undistributed Expenditures - Attend & Social Work	37,625	4,790	42,415	42,285	130
Undist. Expend. - Health Services					
Salaries	103,596	2,210	105,806	105,786	20
Purchased professional and technical services	6,500	73,250	79,750	78,554	1,196
Supplies and materials	2,500	(1,000)	1,500	1,127	373
Other objects	500	-	500	500	-
Total Undistributed Expenditures - Health Services	113,096	74,460	187,556	185,967	1,589
Undist. Expend. - Speech Services					
Salaries	78,801	400	79,201	79,201	-
Purchased professional - educational services	220,000	(1,650)	218,350	144,307	74,043
Supplies and materials	2,000	-	2,000	699	1,301
Total Undist. Expend.-Speech Svcs	300,801	(1,250)	299,551	224,207	75,344
Undist. Expend. - Other Support Services - Students - Extraordinary Services					
Salaries	-	-	-	-	-
Purchased professional - educational services	8,000	-	8,000	-	8,000
Total Undist. Expend.-Othr Spt Svcs Students-Extraordinary Svcs	8,000	-	8,000	-	8,000
Undist. Expend.- Other Support Services Students-Regular					
Salaries of other professional staff	100,000	(99,650)	350	-	350
Salaries of secretarial and clerical assistants	17,878	(4,000)	13,878	13,781	97
Purchased professional - educational services	7,500	63,400	70,900	69,346	1,554
Total Undist. Expend. - Other Support Services - Students-Regular	125,378	(40,250)	85,128	83,127	2,001
Undist. Expend. - Other Support Services - Students-Special					
Salaries of other professional staff	217,415	-	217,415	209,322	8,093
Salaries of secretarial and clerical assistants	17,169	11,900	29,069	28,956	113
Purchased professional - educational services	40,000	(28,900)	11,100	83	11,017
Other purchased professional services	47,587	(22,000)	25,587	-	25,587
Supplies and materials	2,800	-	2,800	567	2,233
Other objects	1,780	-	1,780	480	1,300
Total Undist. Expend. - Other Support Services - Students-Special	326,751	(39,000)	287,751	239,408	48,343
Undist. Expend. - Improvement of Instruction Services					
Salaries of supervisor of instruction	187,974	51,164	239,138	236,731	2,407
Salaries of other professional staff	8,000	(4,000)	4,000	2,083	1,917
Salaries of secretarial and clerical assist.	2,600	(1,900)	700	612	88
Other salaries	6,000	(4,500)	1,500	1,122	378
Other purchased professional and technical services	-	5,000	5,000	4,795	205
Supplies and materials	2,600	(1,500)	1,100	885	215
Total Undist. Expend. - Improvement of Instruction Services	207,174	44,264	251,438	246,228	5,210
Undist. Expend. - Educational Media Services/School Library					
Purchased professional and technical services	1,420	-	1,420	-	1,420
Other purchased services (400-500 series)	1,500	-	1,500	-	1,500
Supplies and materials	1,000	-	1,000	-	1,000
Other objects	1,000	-	1,000	-	1,000
Total Undist. Expend. - Educational Media Services/School Library	4,920	-	4,920	-	4,920
Undist. Expend. - Instruction Staff Training Services					
Purchased professional and technical services	1,000	-	1,000	-	1,000
Other purchased services (400-500 series)	18,000	1,500	19,500	18,652	848
Total Undist. Expend. - Instruction Staff Training Services	19,000	1,500	20,500	18,652	1,848

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Service - General Administration					
Salaries	\$ 183,252	\$ 14,750	\$ 198,002	\$ 184,009	\$ 13,993
Legal services	27,000	(10,500)	16,500	10,402	6,098
Audit fees	20,000	(8,000)	12,000	11,750	250
Other purchased professional services	4,000	1,000	5,000	4,965	35
Purchased technical services	2,000	(2,000)	-	-	-
Communications/Telephone - Bus	6,000	(310)	5,690	4,947	743
Travel - All Other	-	2,100	2,100	2,048	52
BOE other purchased prof. svc.	1,000	-	1,000	-	1,000
Other purchased services (400-500 series)	5,000	-	5,000	811	4,189
General supplies	4,000	8,000	12,000	3,160	8,840
BOE membership dues and fees	7,000	960	7,960	7,955	5
Miscellaneous expenditures	3,000	-	3,000	2,631	369
Total Undist. Expend. - Support Service - General Administration	262,252	6,000	268,252	232,678	35,574
Undist. Expend. - Support Service - School Administration					
Salaries of secretarial and clerical assistants	32,011	-	32,011	28,405	3,606
Supplies and materials	3,500	-	3,500	186	3,314
Other objects	500	-	500	500	-
Total Undist. Expend. - Support Service - School Administration	36,011	-	36,011	29,091	6,920
Undist. Expend. - Central Services					
Salaries	128,020	(4,000)	124,020	118,555	5,465
Purchased technical services	9,000	5,000	14,000	4,535	9,465
Misc. Pur Serv (400-500 series)	4,000	7,000	11,000	-	11,000
Supplies and materials	4,000	5,000	9,000	2,231	6,769
Miscellaneous Expenditures	3,200	-	3,200	1,976	1,224
Total Undist. Expend. - Central Services	148,220	13,000	161,220	127,297	33,923
Undist. Expend. - Admin. Info. Technology					
Purchased technical services	24,000	-	24,000	7,652	16,348
Total Undist. Expend - Admin. Info. Technology	24,000	-	24,000	7,652	16,348
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, repair and maintenance services	180,000	(79,500)	100,500	100,493	7
General supplies	60,000	300	60,300	60,297	3
Total Undist. Expend. - Allowed Maintenance for School Facilities	240,000	(79,200)	160,800	160,790	10
Undist. Expend. - Other Operation & Maintenance of Plant					
Salaries - Custodians	133,358	53,500	186,858	166,289	20,569
Salaries of Non-Instructional Aides	-	-	-	-	-
Purchased professional and technical services	50,000	18,200	68,200	68,072	128
Cleaning, repair and maintenance services - up keep	46,000	38,100	84,100	83,827	273
Rental of land and building other than lease	18,000	(17,210)	790	702	88
Other purchased property services	4,000	-	4,000	1,911	2,089
Insurance	56,701	(12,300)	44,401	15,049	29,352
Miscellaneous purchased services	7,000	38,210	45,210	44,710	500
General supplies	6,000	-	6,000	2,291	3,709
Energy (Heat and Electricity)	90,000	5,000	95,000	75,427	19,573
Other objects	10,000	(3,000)	7,000	214	6,786
Energy (Natural Gas)	100,000	(47,800)	52,200	26,340	25,860
Total Undist. Expend. - Other Operation & Maintenance Of Plant	521,059	72,700	593,759	484,832	108,927
Undist. Expend. - Security					
Salaries	59,432	500	59,932	59,826	106
Total Undist. Expend. - Security	59,432	500	59,932	59,826	106
Undist. Expend. - Student Transportation Services					
Salaries for pupil transportation(between home and school)-Special	39,670	-	39,670	36,168	3,502
Salaries for pupil trans. (other than between home and school)	29,270	-	29,270	27,406	1,864
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	40,000	-	40,000	27,583	12,417
Contract services -(between home and school)-Vendor	60,000	-	60,000	56,572	3,428
Contract services (other than between home & school) - Vendors	10,000	-	10,000	2,580	7,420
Contract services - (special education students) - Vendors	10,000	-	10,000	1,282	8,718
Contract services-(special education students)-Joint	21,083	-	21,083	14,238	6,845
Contract services-(regular students)ESC's & CTSA's	75,989	(31,393)	44,596	-	44,596
Contract services-(special education students)-ESC's & CTSA's	220,000	-	220,000	154,557	65,443
Other Objects	6,000	-	6,000	50	5,950
Miscellaneous expenditures	-	-	-	-	-
Total Undist. Expend. - Student Transportation Services	512,012	(31,393)	480,619	320,436	160,183
UNALLOCATED EMPLOYEE BENEFITS					
Group insurance	50,631	(41,000)	9,631	9,215	416
TPAF Contributions - ERIP	-	-	-	-	-
Social security contributions	100,000	-	100,000	96,179	3,821
Other retirement contributions - PERS	110,000	(15,000)	95,000	94,167	833
Other retirement contributions - ERIP	-	-	-	-	-
Other retirement contributions - Regular	1,000	-	1,000	-	1,000
Unemployment Compensation	25,000	(6,500)	18,500	18,058	442
Workmen's compensation	51,422	2,503	53,925	53,646	279
Health benefits	833,388	137,529	970,917	953,655	17,262
Tuition reimbursement	30,000	(23,500)	6,500	6,156	344
Other employee benefits	-	45,000	45,000	42,323	2,677
TOTAL UNALLOCATED EMPLOYEE BENEFITS	1,201,441	99,032	1,300,473	1,273,399	27,074

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS					
On-behalf TPAF LTDI (non-budgeted)	\$ -	\$ -	\$ -	\$ 712	\$ (712)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	338,878	(338,878)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,159,743	(1,159,743)
Reimbursed TPAF social security contributions (non-budgeted)	-	-	-	252,630	(252,630)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,751,963	(1,751,963)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,201,441	99,032	1,300,473	3,025,362	(1,724,889)
TOTAL UNDISTRIBUTED EXPENDITURES	6,952,648	(387)	6,952,261	8,097,465	(1,145,204)
INTEREST EARNED ON MAINTENANCE RESERVE					
Interest earned on maintenance reserve	100	(100)	-	-	-
TOTAL INTEREST EARNED ON MAINTENANCE RESERVE	100	(100)	-	-	-
TOTAL GENERAL CURRENT EXPENDITURES	9,954,678	(14,008)	9,940,670	10,983,309	(1,042,639)
CAPITAL OUTLAY					
Interest	100	(100)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 1-5	-	-	-	-	-
Grades 6-8	-	-	-	-	-
Undistributed:					
Undistributed expenditures - Non-Instructional equip.	-	-	-	-	-
Total Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services					
Current capital outlay transfer - Capital projects	-	-	-	-	-
Architectural/Engineering Services	-	750	750	750	-
Land and improvements	-	14,540	14,540	14,393	147
Construction services	-	-	-	-	-
Other Purchases Prof. & Tech Services	-	-	-	-	-
Lease Purchase Agreements-Principal	-	-	-	-	-
Debt Service Assessment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	15,290	15,290	15,143	147
Capital reserve - Transfer to	-	-	-	-	-
TOTAL CAPITAL OUTLAY	100	15,190	15,290	15,143	147
Transfer of funds to charter schools	12,607	(12,607)	-	-	-
TOTAL EXPENDITURES	9,967,385	(11,425)	9,955,960	10,998,452	(1,042,492)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(382,907)	11,425	(371,482)	620,246	991,728
Other Financing Uses:					
Transfer in- capital projects	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(382,907)	11,425	(371,482)	620,246	991,728
Fund Balance, July 1	4,118,580	-	4,118,580	4,118,580	-
Fund Balance, June 30	<u>\$ 3,735,673</u>	<u>\$ 11,425</u>	<u>\$ 3,747,098</u>	<u>\$ 4,738,826</u>	<u>\$ 991,728</u>
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				3,553,719	
Maintenance reserve				234,319	
Tuition reserve				331,000	
Excess surplus - Designated for subsequent year's expenditures				122,541	
Excess surplus - Current year				116,306	
Assigned Fund Balance:					
Year-end encumbrances				-	
Designated for subsequent year's expenditures				78,546	
Unassigned Fund Balance				<u>302,395</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				4,738,826	
Last state aid payment not recognized on GAAP basis				(697,655)	
Fund balance per governmental funds (GAAP) - B-1				<u>4,041,171</u>	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 4,041,171</u>	

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 3,035	\$ 3,035
State sources	844,635	-	844,635	844,635	-
Federal sources	276,873	73,699	350,572	350,572	-
Total Revenues	1,121,508	73,699	1,195,207	1,198,242	3,035
EXPENDITURES					
Instruction:					
Salaries of teachers	383,759	36,016	419,775	419,775	-
Other salaries for instruction	117,865	-	117,865	117,865	-
Purchased professional services	13,300	(8,000)	5,300	5,300	-
General supplies	8,000	4,276	12,276	12,276	-
Tuition	110,911	20,885	131,796	131,796	-
Other Objects	-	-	-	-	-
Total instruction	633,835	53,177	687,012	687,012	-
Support services:					
Salaries of program director	255,851	-	255,851	255,851	-
Personal services	-	-	-	-	-
Purchased professional - educational services	-	-	-	-	-
Other purchased professional services	18,890	1,949	20,839	20,839	-
Purchased technical services	-	-	-	-	-
Employee Benefits	192,281	13,573	205,854	205,854	-
Miscellaneous purchased services (400-500 series)	-	5,000	5,000	5,000	-
Miscellaneous expenditures	20,651	-	20,651	20,651	-
Student activities	-	-	-	4,632	(4,632) Note 1
Supplies & materials	-	-	-	-	-
Total support services	487,673	20,522	508,195	512,827	(4,632)
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total expenditures	1,121,508	73,699	1,195,207	1,199,839	(4,632)
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	1,121,508	73,699	1,195,207	1,199,839	(4,632)
Excess (deficiency) of revenues					
Over (under) expenditures	\$ -	\$ -	\$ -	\$ (1,597)	\$ (1,597)
Fund Balance, July 1				11,370	
Fund Balance, June 30				\$ 9,773	
Recapitulation:					
Restricted:					
Student Activities				9,773	
Total Fund Balance				\$ 9,773	

Note 1 - Not required to budget for these funds.

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2025

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 11,618,698	[C-2]	\$ 1,198,242
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		-
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,159,743)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year		(697,655)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		655,729		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 10,417,029</u>	[B-2]	<u>\$ 1,198,242</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 10,998,452	[C-2]	\$ 1,199,839
Differences - budget to GAAP				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,159,743)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 9,838,709</u>	[B-2]	<u>\$ 1,199,839</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2025

Last 10 Fiscal Years*

	<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>2024</u>	<u>2025</u>
District's proportion of the net pension liability	0.0050259860%	0.0051544052%	0.0052933247%	0.0051245785%	0.0053567090%	0.0071756507%	0.0075697867%	0.0077987514%	0.0067706064%	0.0068437274%
District's proportionate share of the net pension liability	\$ 1,174,024	\$ 1,526,587	\$ 1,232,201	\$ 1,009,004	\$ 965,198	\$ 1,170,161	\$ 896,755	\$ 1,176,939	\$ 980,680	\$ 929,929
District's covered-employee payroll	345,539	359,143	347,570	359,886	453,216	534,967	554,698	523,102	529,924	545,397
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	339.77%	425.06%	354.52%	222.63%	180.42%	218.74%	161.67%	224.99%	185.06%	170.50%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	70.33%	65.23%	68.22%

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

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District Contributions-PERS
For the Year Ended June 30, 2025

Last 10 Fiscal Years*

	<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>2024</u>	<u>2025</u>
Contractually required contributions	\$ 44,495	\$ 46,728	\$ 49,974	\$ 51,974	\$ 53,094	\$ 79,403	\$ 89,556	\$ 99,240	\$ 90,491	\$ 94,019
Contributions in relation to the contractually required contribution	<u>\$ 44,495</u>	<u>\$ 46,728</u>	<u>\$ 50,160</u>	<u>\$ 52,324</u>	<u>\$ 53,094</u>	<u>\$ 79,584</u>	<u>\$ 89,739</u>	<u>\$ 106,051</u>	<u>\$ 91,537</u>	<u>\$ 94,167</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (186)	\$ (350)	\$ -	\$ (181)	\$ (183)	\$ (6,811)	\$ (1,046)	\$ (148)
District's covered-employee payroll	\$ 359,143	\$ 347,570	\$ 359,886	\$ 453,216	\$ 534,967	\$ 554,698	\$ 523,102	\$ 529,924	\$ 545,397	\$ 539,236
Contributions as a percentage of covered-employee payroll	12.39%	13.44%	14.38%	11.47%	9.92%	14.31%	17.12%	18.73%	16.59%	17.44%

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-TPAF
For the Year Ended June 30, 2025

Last 10 Fiscal Years*

	<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>2024</u>	<u>2025</u>
State's proportion of the net pension liability associated with the District	0.0198012861%	0.0174542012%	0.0200829170%	0.0214816045%	0.0212569572%	0.0218023034%	0.0215915254%	0.0223386424%	0.0280689320%	0.0241271836%
State's proportionate share of the net pension liability associated with the District	\$ 12,515,258	\$ 13,730,586	\$ 13,540,627	\$ 13,666,135	\$ 13,045,595	\$ 14,356,554	\$ 10,380,167	\$ 11,525,492	\$ 12,149,293	\$ 11,924,886
District's covered-employee payroll	2,117,683	2,163,122	2,224,442	2,312,535	2,454,455	2,561,100	2,799,974	3,031,939	3,260,471	3,403,634
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	590.99%	634.76%	608.72%	590.96%	531.51%	560.56%	370.72%	380.14%	372.62%	350.36%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

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

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

BEVERLY CITY SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Last 10 Fiscal Years*

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State's proportion of the OPEB liability associated with the District							
Service cost	\$ 441,276	\$ 394,562	\$ 414,455	\$ 809,613	\$ 657,872	\$ 512,082	\$ 493,547
Interest cost	406,465	380,572	299,729	307,679	265,286	359,500	410,040
Changes of benefit terms	-	-	-	(12,624)	-	-	-
Differences between expected and actual experiences	(977,141)	(1,942,385)	3,160,228	(3,580,332)	166,238	20,574	715,866
Changes in assumptions	(1,097,215)	123,322	2,659,458	11,701	(2,685,373)	(423,888)	931,916
Member contributions	8,836	7,526	7,682	7,866	8,430	9,213	10,723
Gross benefit payments	<u>(255,668)</u>	<u>(253,897)</u>	<u>(253,463)</u>	<u>(242,365)</u>	<u>(262,774)</u>	<u>(280,236)</u>	<u>(313,154)</u>
Net change in total OPEB liability	(1,473,447)	(1,290,300)	6,288,089	(2,698,462)	(1,850,321)	197,245	2,248,938
State's Total OPEB liability - beginning	<u>11,034,815</u>	<u>9,561,368</u>	<u>8,271,068</u>	<u>14,559,157</u>	<u>11,860,695</u>	<u>10,010,374</u>	<u>10,207,619</u>
State's Total OPEB liability - ending	<u>\$ 9,561,368</u>	<u>\$ 8,271,068</u>	<u>\$ 14,559,157</u>	<u>\$ 11,860,695</u>	<u>\$ 10,010,374</u>	<u>\$ 10,207,619</u>	<u>\$ 12,456,557</u>
District's covered employee payroll	<u>\$ 3,379,568</u>	<u>\$ 3,654,480</u>	<u>\$ 3,720,150</u>	<u>\$ 3,702,150</u>	<u>\$ 4,382,839</u>	<u>\$ 4,382,839</u>	<u>\$ 4,745,849</u>
Total State's OPEB liability as a percentage of covered employee payroll	283%	226%	391%	320%	228%	233%	262%

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

Beverly City School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2025

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2023, to 7.00% as of June 30, 2024.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 7.00% as of June 30, 2023, to 7.00% as of June 30, 2024.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None .

Changes in Assumptions - The discount rate changed from 3.65% as of June 30, 2023, to 3.94% as of June 30, 2024.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2025

	Student Activities 24/25	ESSER III Learning Acceleration 24/25	IDEA PRESCHOOL 24/25	IDEA Basic 24/25	TITLE I 24/25
Revenues:					
Local sources	\$ 3,035	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	-	5,000	3,676	131,796	180,060
Total revenues	3,035	5,000	3,676	131,796	180,060
Expenditures:					
Instruction:					
Salaries of teachers	-	-	-	-	109,400
Other salaries/instruction	-	-	-	-	-
Purchased professional services	-	-	-	-	-
General supplies	-	-	3,676	-	600
Tuition	-	-	-	131,796	-
Textbooks	-	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total instruction	-	-	3,676	131,796	110,000
Support services:					
Other support services -					
students - special:					
Other professional					
staff salaries	-	-	-	-	-
Personal Services	-	-	-	-	-
Purchased professional services	-	-	-	-	-
Other purchased professional					
services	-	5,000	-	-	-
Purchased technical services	-	-	-	-	-
Employee benefits	-	-	-	-	70,060
Travel	-	-	-	-	-
General supplies	-	-	-	-	-
Student activities	4,632	-	-	-	-
Miscellaneous expenses	-	-	-	-	-
Total other support services -	4,632	5,000	-	-	70,060
students - special					
Total support services	4,632	5,000	-	-	70,060
Equipment:					
Regular programs instruction	-	-	-	-	-
Non-instructional equipment	-	-	-	-	-
Total equipment	-	-	-	-	-
Total expenditures	4,632	5,000	3,676	131,796	180,060
Excess (deficiency) of revenues					
Over (under) expenditures	(1,597)	-	-	-	-
Fund Balance, July 1	11,370	-	-	-	-
Fund Balance, June 30	\$ 9,773	\$ -	\$ -	\$ -	\$ -

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2025

(Continued from prior page)

	Preschool Edu. Aid 24/25	TITLE II PART A 24/25	TITLE IV 24/25	Total 2025
Revenues:				
Local sources	\$ -	\$ -	\$ -	\$ 3,035
State sources	844,635	-	-	844,635
Federal sources	-	17,339	12,701	350,572
Total revenues	844,635	17,339	12,701	1,198,242
Expenditures:				
Instruction:				
Salaries of teachers	297,674	-	12,701	419,775
Other salaries/instruction	117,865	-	-	117,865
Purchased professional services	5,300	-	-	5,300
General supplies	8,000	-	-	12,276
Tuition	-	-	-	131,796
Textbooks	-	-	-	-
Miscellaneous expenses	-	-	-	-
Total instruction	428,839	-	12,701	687,012
Support services:				
Other support services - students - special:				
Other professional staff salaries	255,851	-	-	255,851
Personal Services	-	-	-	-
Purchased professional services	-	-	-	-
Other purchased professional services	3,500	17,339	-	20,839
Purchased technical services	-	-	-	5,000
Employee benefits	135,794	-	-	-
Travel	-	-	-	205,854
General supplies	-	-	-	-
Student activities	-	-	-	4,632
Miscellaneous expenses	20,651	-	-	20,651
Total other support services - students - special	415,796	17,339	-	512,827
Total support services	415,796	17,339	-	512,827
Equipment:				
Regular programs instruction	-	-	-	-
Non-instructional equipment	-	-	-	-
Total equipment	-	-	-	-
Total expenditures	844,635	17,339	12,701	1,199,839
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	(1,597)
Fund Balance, July 1	-	-	-	11,370
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 9,773

BEVERLY CITY SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 297,674	\$ 297,674	\$ -
Other Salaries for Instruction	117,865	117,865	-
Other Purchased Services (400-500 series)	5,300	5,300	-
General Supplies	8,000	8,000	-
Total instruction	<u>428,839</u>	<u>428,839</u>	<u>-</u>
Support services:			
Salaries of Program Directors	29,928	29,928	-
Salaries of Other Professional Staff	43,621	43,621	-
Salaries of Secr. And Clerical Assistants	25,402	25,402	-
Other Salaries	47,255	47,255	-
Salaries of Community Parent Involvement Spec.	18,224	18,224	-
Salaries of Master Teachers	91,421	91,421	-
Personal Services - Employee Benefits	135,794	135,794	-
Other Purchased Professional Services	3,500	3,500	-
Other Objects	20,651	20,651	-
Total support services	<u>415,796</u>	<u>415,796</u>	<u>-</u>
Facilities acquisition and cont. serv:			
Instructional equipment	-	-	-
Noninstructional Equipment	-	-	-
Total Facilities acquisition and cont. serv.	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 844,635</u>	<u>\$ 844,635</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2023-24 PreK/ECPA Aid Allocation	\$ 844,635
Actual PreK/ECPA Aid Carryover June 30, 2023	-
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2024-25 Budget	<u>844,635</u>
Less: 2024-25 Budgeted PreK/ECPA (Including prior year budgeted carryover)	<u>844,635</u>
Available & Unbudgeted Funds as of June 30, 2025	-
Add: June 30, 2024 Unexpended PreK Aid	-
2025 - Actual Carryover - PreK Aid	<u>\$ -</u>
2023-24 PreK Aid Carryover Budgeted in 2024-FY	<u>\$ -</u>

F. Capital Projects Fund

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2025

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2025</u>
			<u>Prior Years</u>	<u>Current Year</u>	
HVAC Replacement	04/22/22	\$ 2,384,629	\$ 1,077,487	\$ 232,972	\$ 1,074,170
Totals		<u>\$ 2,384,629</u>	<u>\$ 1,077,487</u>	<u>\$ 232,972</u>	<u>\$ 1,074,170</u>

BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2025

Revenues and Other Financing Sources

State Sources - Grant	\$ 332,570
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from General Fund	-
Total revenues	<u>332,570</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Construction services	232,972
Supplies	-
Total expenditures	<u>232,972</u>

Excess (deficiency) of revenues over (under) expenditures	99,598
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Fund balance - beginning	50,694
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Fund balance - ending	<u>\$ 150,292</u>
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BEVERLY CITY SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC REPLACEMENT
For the Year Ended June 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SSB-VEEVR Grant	\$ 328,181	\$ 332,570	\$ 660,751	\$ 660,750
Rod Grant	-	-	-	923,879
Transfer from capital reserve	800,000	-	800,000	800,000
Total revenues	<u>1,128,181</u>	<u>332,570</u>	<u>1,460,751</u>	<u>2,384,629</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Construction services	1,077,487	232,972	1,310,459	2,384,629
Supplies	-	-	-	-
Total expenditures	<u>1,077,487</u>	<u>232,972</u>	<u>1,310,459</u>	<u>2,384,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 50,694</u>	<u>\$ 99,598</u>	<u>- \$ 150,292</u>	<u>\$ -</u>
Additional project information:				
Project Number	SP 05-0380-025-23-R501			
Grant Date	4/22/2022			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	-			
Original Authorized Cost	1,246,926			
Additional Authorized Cost	1,137,703			
Revised Authorized Cost	2,384,629			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	55%			
Original target completion date	2024			
Revised target completion date	2024			

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

H. Fiduciary Funds
Not Applicable

I. Long-Term Debt

BEVERLY CITY SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2025

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2024</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2025</u>
Series 2015 Bonds	2/5/2015	1,031,000				\$ 475,000		\$ 70,000	\$ 405,000
			2/1/2026	75,000	3.000%				
			2/1/2027	80,000	3.000%				
			2/1/2028	80,000	3.000%				
			2/1/2029	85,000	3.000%				
			2/1/2030	85,000	3.125%				
						-	-	-	-
						<u>\$ 475,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 405,000</u>

BEVERLY CITY SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 83,919	\$ -	\$ 83,919	\$ 83,919	\$ -
Interest income	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	-	-	-	-	-
Debt Service Aid Type I	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - State Sources	-	-	-	-	-
Total Revenues	<u>83,919</u>	<u>-</u>	<u>83,919</u>	<u>83,919</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	13,919	-	13,919	13,919	-
Redemption of Principal	70,000	-	70,000	70,000	-
	<u>83,919</u>	<u>-</u>	<u>83,919</u>	<u>83,919</u>	<u>-</u>
Total Regular Debt Service	83,919	-	83,919	83,919	-
Total expenditures	<u>83,919</u>	<u>-</u>	<u>83,919</u>	<u>83,919</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

**Beverly City School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	102-106
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	107-110
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	111-114
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	115-116
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	117-121

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities											
Net investment in capital assets	\$ 260,766	\$ 1,673,305	\$ 1,761,474	\$ 1,724,794	\$ 1,783,814	\$ 1,794,499	\$ 1,778,274	\$ 2,898,403	\$ 3,465,564	\$ 4,609,209	\$ 4,762,062
Restricted	1,614,184	2,174,144	3,091,266	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244	3,787,014	3,771,821	4,517,950
Unrestricted	(1,256,874)	(1,177,421)	(1,140,178)	(1,209,159)	(1,236,886)	(1,248,695)	(1,166,316)	(1,016,294)	(1,083,993)	(1,314,891)	(1,389,504)
Total governmental activities net position	\$ 618,076	\$ 2,670,028	\$ 3,712,562	\$ 4,060,215	\$ 4,212,762	\$ 4,289,971	\$ 3,976,149	\$ 5,229,353	\$ 6,168,585	\$ 7,066,139	\$ 7,890,508
Business-type activities											
Net investment in capital assets	\$ 12,026	\$ 10,069	\$ 3,831	\$ 5,057	\$ 3,972	\$ 2,887	\$ 6,083	\$ 4,998	\$ 3,913	\$ 31,166	\$ 26,933
Restricted	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	48,016	56,484	78,098	64,772	65,431	105,408	74,118	101,740	97,491	8,283	(12,959)
Total business-type activities net position	\$ 60,042	\$ 66,553	\$ 81,929	\$ 69,829	\$ 69,403	\$ 108,295	\$ 80,201	\$ 106,738	\$ 101,404	\$ 39,449	\$ 13,974
District-wide											
Net investment in capital assets	\$ 272,792	\$ 1,683,374	\$ 1,683,374	\$ 1,729,851	\$ 1,787,786	\$ 1,797,386	\$ 1,784,357	\$ 2,903,401	\$ 3,469,477	\$ 4,640,375	\$ 4,788,995
Restricted	1,614,184	2,174,144	2,174,144	3,544,580	3,665,834	3,744,167	3,364,191	3,347,244	3,787,014	3,771,821	4,517,950
Unrestricted	(1,208,858)	(1,120,937)	(1,120,937)	(1,144,387)	(1,171,455)	(1,143,287)	(1,092,198)	(914,554)	(986,502)	(1,306,608)	(1,402,463)
Total district net position	\$ 678,118	\$ 2,736,581	\$ 2,736,581	\$ 4,130,044	\$ 4,282,165	\$ 4,398,266	\$ 4,056,350	\$ 5,336,091	\$ 6,269,989	\$ 7,105,588	\$ 7,904,482

Source: ACFR Schedule A-1 and District records.

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses											
Governmental activities											
Instruction											
Regular	\$ 1,758,381	\$ 1,873,420	\$ 1,784,149	\$ 1,801,640	\$ 1,906,207	\$ 1,923,825	\$ 1,452,377	\$ 1,502,760	\$ 1,805,300	\$ 2,129,455	\$ 2,101,054
Special education	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697	362,940	422,891	547,083
Other special education	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963	149,777	161,172	237,707
Support Services:											
Instruction	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671	3,166,847	2,697,097	2,609,627
Attendance and social work	28,803	31,525	33,558	32,855	40,414	31,890	36,228	40,227	44,403	44,187	42,285
Health services	72,830	123,901	138,734	137,535	147,146	127,366	126,375	133,294	148,892	160,449	185,967
Improvement of instr. services	-	-	-	-	-	-	-	-	-	-	-
Educational media services	2,710	4,447	4,775	5,043	10,720	5,043	3,641	3,806	-	-	-
Instruction staff training	5,468	8,584	25,327	18,382	17,205	7,079	8,135	8,317	19,674	22,335	18,652
School Administrative services	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781	27,458	29,469	29,091
General administration	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649	229,226	245,347	232,678
Central Services	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715	122,344	121,294	127,297
Plant operations and maintenance	514,151	502,166	675,776	710,067	600,581	538,923	583,167	556,570	731,734	919,086	870,710
Administrative information technology	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818	24,619	51,529	7,652
Pupil transportation	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039	341,937	267,466	320,436
Other support services	619,725	645,775	678,410	709,503	726,783	1,017,121	588,798	597,824	647,457	778,008	794,567
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	10,029	26,205	20,756	21,864	21,894	20,694	18,241	14,462	15,598	14,138	13,385
Unallocated employee benefits	680,591	544,562	581,847	729,877	646,261	436,289	329,461	(268,128)	(139,220)	106,522	119,845
Total governmental activities expenses	<u>6,768,105</u>	<u>6,302,626</u>	<u>6,286,842</u>	<u>6,757,075</u>	<u>6,957,168</u>	<u>7,401,939</u>	<u>6,867,129</u>	<u>6,581,465</u>	<u>7,698,986</u>	<u>8,170,445</u>	<u>8,258,016</u>
Business-type activities:											
Enterprise fund	15,567	(6,511)	(15,376)	12,100	426	(38,892)	28,094	(26,537)	5,334	61,955	25,475
Child Care	-	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>15,567</u>	<u>(6,511)</u>	<u>(15,376)</u>	<u>12,100</u>	<u>426</u>	<u>(38,892)</u>	<u>28,094</u>	<u>(26,537)</u>	<u>5,334</u>	<u>61,955</u>	<u>25,475</u>
Total district expenses	<u>\$ 6,783,672</u>	<u>\$ 6,296,115</u>	<u>\$ 6,271,466</u>	<u>\$ 6,769,175</u>	<u>\$ 6,957,594</u>	<u>\$ 7,363,047</u>	<u>\$ 6,895,223</u>	<u>\$ 6,554,928</u>	<u>\$ 7,704,320</u>	<u>\$ 8,232,400</u>	<u>\$ 8,283,491</u>
Net (Expense)/Revenue											
Governmental activities	(6,768,105)	(6,302,626)	(6,286,842)	(6,757,075)	(6,957,168)	(7,401,939)	(6,867,129)	(6,581,465)	(7,698,986)	(8,170,445)	(8,258,016)
Business-type activities	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537	(5,334)	(61,955)	(25,475)
Total district-wide net expense	<u>\$ (6,783,672)</u>	<u>\$ (6,296,115)</u>	<u>\$ (6,271,466)</u>	<u>\$ (6,769,175)</u>	<u>\$ (6,957,594)</u>	<u>\$ (7,363,047)</u>	<u>\$ (6,895,223)</u>	<u>\$ (6,554,928)</u>	<u>\$ (7,704,320)</u>	<u>\$ (8,232,400)</u>	<u>\$ (8,283,491)</u>
General Revenues and Other Changes in Net Position											
Governmental activities:											
Property taxes levied for general purposes, net	\$ 2,768,851	\$ 2,831,833	\$ 2,845,921	\$ 2,845,921	\$ 2,874,380	\$ 2,954,932	\$ 3,041,452	\$ 3,138,502	\$ 3,099,011	\$ 2,921,899	\$ 2,821,899
Taxes levied for debt service	-	78,035	79,194	83,094	81,894	80,694	84,494	83,194	86,894	85,494	83,919
Unrestricted grants and contributions	3,640,995	5,030,304	3,929,687	3,716,486	3,641,272	4,012,006	3,391,499	4,517,666	5,293,198	5,753,734	5,981,340
State aid - restricted	669,523	330,739	322,605	314,716	324,936	314,306	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200	28,711	120,904	143,444
Miscellaneous income restricted	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	25,589	81,174	149,475	141,824	183,181	67,544	19,796	92,107	130,404	185,968	51,783
Transfers	-	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>7,107,146</u>	<u>8,354,578</u>	<u>7,329,376</u>	<u>7,104,728</u>	<u>7,109,715</u>	<u>7,479,148</u>	<u>6,543,779</u>	<u>7,834,669</u>	<u>8,638,218</u>	<u>9,067,999</u>	<u>9,082,385</u>
Business-type activities:											
Investment earnings	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 7,107,146</u>	<u>\$ 8,354,578</u>	<u>\$ 7,329,376</u>	<u>\$ 7,104,728</u>	<u>\$ 7,109,715</u>	<u>\$ 7,479,148</u>	<u>\$ 6,543,779</u>	<u>\$ 7,834,669</u>	<u>\$ 8,638,218</u>	<u>\$ 9,067,999</u>	<u>\$ 9,082,385</u>
Change in Net Position											
Governmental activities	339,041	2,051,952	1,042,534	347,653	152,547	77,209	(323,350)	1,253,204	939,232	897,554	824,369
Business-type activities	(15,567)	6,511	15,376	(12,100)	(426)	38,892	(28,094)	26,537	(5,334)	(61,955)	(25,475)
Total district	<u>\$ 323,474</u>	<u>\$ 2,058,463</u>	<u>\$ 1,057,910</u>	<u>\$ 335,553</u>	<u>\$ 152,121</u>	<u>\$ 116,101</u>	<u>\$ (351,444)</u>	<u>\$ 1,279,741</u>	<u>\$ 933,898</u>	<u>\$ 835,599</u>	<u>\$ 798,894</u>

Source: ACFR Schedule A-2 and District records.

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

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

	Fiscal Year Ending June 30,										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund											
Restricted	\$ -	\$ -	\$ 3,047,002	\$ 3,510,217	\$ 3,576,940	\$ 3,744,167	\$ 3,352,178	\$ 3,337,753	\$ 3,045,437	\$ 3,709,757	\$ 4,357,885
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	44,264	34,363	88,894	121,137	72,028	176,115	178,859	130,277	78,546
Unassigned	-	-	(25,287)	3,107	24,174	(85,811)	69,021	(2,882)	(182,174)	(377,183)	(395,260)
Reserved	1,614,184	2,174,144	-	-	-	-	-	-	-	-	-
Unreserved	(79,992)	(71,640)	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 1,534,192</u>	<u>\$ 2,102,504</u>	<u>\$ 3,065,979</u>	<u>\$ 3,547,687</u>	<u>\$ 3,690,008</u>	<u>\$ 3,779,493</u>	<u>\$ 3,493,227</u>	<u>\$ 3,510,986</u>	<u>\$ 3,042,122</u>	<u>\$ 3,462,851</u>	<u>\$ 4,041,171</u>
All Other Governmental Funds											
Reserved	\$ -	\$ (167,384)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted											
Special revenue fund	-	-	-	-	-	-	12,013	9,491	8,719	11,370	9,773
Debt service fund	-	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	(233,869)	(233,869)	(233,869)	(233,869)	(233,869)	-	732,858	50,694	150,292
Total all other governmental funds	<u>\$ -</u>	<u>\$ (167,384)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (233,869)</u>	<u>\$ (221,856)</u>	<u>\$ 9,491</u>	<u>\$ 741,577</u>	<u>\$ 62,064</u>	<u>\$ 160,065</u>

Source: ACFR Schedule B-1 and District records.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues											
Tax levy	\$ 2,768,851	\$ 2,909,868	\$ 2,925,115	\$ 2,929,015	\$ 2,956,274	\$ 3,035,626	\$ 3,125,946	\$ 3,221,696	\$ 3,185,905	\$ 3,007,393	\$ 2,905,818
Tuition charges	-	65,965	-	-	74,844	-	-	-	-	118,496	-
Interest earnings	2,188	2,493	2,494	2,687	4,052	49,666	6,538	3,200	28,711	120,904	143,444
Miscellaneous	25,589	15,209	149,475	141,824	108,337	67,544	24,288	100,159	134,489	72,422	53,988
State sources	4,391,802	5,484,808	4,442,000	4,363,265	4,360,584	4,740,416	5,125,583	5,695,218	6,994,522	8,053,515	8,530,445
Federal sources	352,239	345,104	386,809	368,745	398,774	357,318	456,038	1,470,500	1,348,085	543,489	398,065
Total revenue	7,540,669	8,823,447	7,905,893	7,805,536	7,902,865	8,250,570	8,738,393	10,490,773	11,691,712	11,916,219	12,031,760
Expenditures											
Instruction											
Regular Instruction	1,758,381	1,873,420	1,784,149	1,801,640	1,906,207	1,923,825	2,077,419	2,192,388	2,670,319	2,883,323	2,788,066
Special education instruction	369,920	423,556	407,407	409,281	462,701	635,342	496,867	473,697	362,940	422,891	547,083
Other special instruction	133,143	170,283	198,590	158,587	155,682	192,445	185,263	281,963	149,777	161,172	237,707
Support Services:											
Tuition	1,857,639	1,279,012	1,081,316	1,367,802	1,545,466	1,769,751	2,336,795	2,509,671	3,166,847	2,697,097	2,609,627
Student & inst. related services	109,811	168,457	202,394	193,815	215,485	171,378	174,379	185,644	212,969	226,971	246,904
General administration	218,018	209,900	190,880	185,961	210,234	210,487	229,849	208,649	229,226	245,347	232,678
School administrative services	18,341	18,813	20,061	19,056	25,823	29,938	28,962	21,781	27,458	29,469	29,091
Central services	142,852	156,260	174,640	180,049	141,468	131,239	112,754	111,715	122,344	121,294	127,297
Admin. information technology	13,824	14,376	14,952	15,550	21,710	21,110	4,451	23,818	24,619	51,529	7,652
Plant operations and maintenance	425,746	686,129	621,541	591,474	514,473	483,358	480,317	461,530	578,568	679,004	705,448
Pupil transportation	321,680	269,841	255,664	254,023	276,873	303,397	325,765	361,039	341,937	267,466	320,436
Other Support Services	619,725	645,775	678,410	709,503	726,783	1,017,121	1,134,319	1,210,976	1,365,774	1,308,943	1,305,797
Employee benefits	1,101,468	1,083,702	1,145,816	1,332,080	1,390,617	1,184,750	1,328,915	1,199,302	1,438,491	1,681,276	1,865,619
Special Schools	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal	-	51,000	55,000	60,000	60,000	60,000	65,000	65,000	70,000	70,000	70,000
Interest and other charges	-	27,035	24,194	23,094	21,894	20,694	19,494	18,194	16,894	15,494	13,919
Capital outlay	937,967	1,670,111	153,889	21,913	85,128	6,250	21,625	916,300	650,327	1,313,727	248,115
Total expenditures	8,028,515	8,747,670	7,008,903	7,323,828	7,760,544	8,161,085	9,022,174	10,241,667	11,428,490	12,175,003	11,355,439
Excess (Deficiency) of revenues over (under) expenditures	(487,846)	75,777	896,990	481,708	142,321	89,485	(283,781)	249,106	263,222	(258,784)	676,321
Other Financing sources (uses)											
Transfers in	1,031,000	8	-	-	-	-	-	233,869	800,000	-	-
Transfers out	12,445	(8)	-	-	-	-	-	(233,869)	(800,000)	-	-
Total other financing sources (uses)	1,043,445	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 555,599	\$ 75,777	\$ 896,990	\$ 481,708	\$ 142,321	\$ 89,485	\$ (283,781)	\$ 249,106	\$ 263,222	\$ (258,784)	\$ 676,321
Debt service as a percentage of noncapital expenditures											
	0.117	0.197	0.030	0.011	0.019	0.008	0.009	0.009	0.008	0.008	0.008

Source: ACFR Schedule B-2 and District records.

Note: Noncapital expenditures are total expenditures less capital outlay.

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

	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Special Revenue Interfund</u>	<u>Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,							
2016	2,485	-	-	-	-	15,209	17,694
2017	2,494	-	-	-	-	149,475	151,969
2018	2,687	-	-	-	-	141,824	144,511
2019	4,052	-	-	-	-	108,337	112,389
2020	18,430	-	-	-	-	67,544	85,974
2021	6,538	-	-	-	-	19,796	26,334
2022	3,200	-	-	-	-	92,107	95,307
2023	28,711	-	-	-	-	130,404	159,115
2024	120,904	-	-	-	-	67,472	188,376
2025	143,444	-	-	-	-	50,953	194,397

Source: District records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2016	991,700	109,065,000	5,580,900	3,757,900	952,700	120,348,200	100	120,348,300	117,741,157	2.430
2017	859,800	108,182,800	5,294,900	4,507,900	953,200	119,798,600	96	119,798,696	121,679,194	2.445
2018	917,600	107,857,700	5,405,100	4,507,900	953,200	119,641,500	97	119,641,597	124,221,603	2.470
2019	906,500	107,498,900	5,327,700	4,507,900	953,900	119,194,900	97	119,194,297	126,358,838	2.470
2020	839,300	107,822,200	5,181,900	4,507,900	953,200	119,304,500	121,007	119,425,507	124,457,021	2.618
2021	732,000	107,639,700	5,122,900	4,292,800	953,200	118,740,600	116,589	118,857,189	120,452,563	2.723
2022	730,800	108,363,200	5,350,100	4,292,800	1,151,900	119,888,800	100,848	119,989,648	129,015,197	2.864
2023	730,800	108,190,300	5,350,100	4,292,800	1,151,900	119,715,900	100,848	119,816,748	150,376,948	2.510
2024	941,600	111,498,500	5,588,900	4,292,800	1,151,900	123,473,700	93,261	123,566,961	129,751,844	2.352
2025	835,000	110,965,700	5,676,300	4,292,800	1,172,400	122,942,200	81,256	123,023,456	N/A	2,024

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

^b Tax rates are per \$100

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

	Beverly City School District Direct Rate	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	City Of Beverly	Burlington County	County Open Space	Fire District	
Fiscal Year Ended June 30,						
2016	2.430	1.472	0.360	0.039	0.138	4.439
2017	2.445	1.507	0.371	0.041	0.138	4.502
2018	2.470	1.531	0.358	0.026	0.141	4.526
2019	2.470	1.531	0.358	0.058	0.141	4.558
2020	2.618	1.608	0.359	0.021	0.156	4.762
2021	2.723	1.645	0.379	0.021	0.161	4.929
2022	2.864	1.777	0.382	0.027	0.182	5.232
2023	2.510	1.842	0.382	0.035	0.190	4.959
2024	2.352	1.925	0.431	0.048	0.197	4.953
2025	2.373	2.042	0.487	0.055	0.202	5.159

Source: Municipal Tax Collector

R = Reevaluation

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

2025			2016		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
CRC Group Inc. (Family Dollar)	\$2,250,000		1.88%	Taxpayer 1	\$0
Centinaro	769,300		0.64%	Taxpayer 2	-
FLDSJ At Beverly LLC	585,500		0.49%	Taxpayer 3	-
Astemborski	509,600		0.42%	Taxpayer 4	-
Casa La Bella	484,800		0.40%	Taxpayer 5	-
Israel Estate	478,400		0.40%	Taxpayer 6	-
Whitman	464,600		0.39%	Taxpayer 7	-
4S Holdings	463,900		0.39%	Taxpayer 8	-
McMichael	455,000		0.38%	Taxpayer 9	-
Cephas	446,400		0.37%	Taxpayer 10	-
Total	<u>\$ 6,907,500</u>		<u>5.76%</u>	Total	<u>\$ -</u>

Source: Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Current Tax Collections	Percentage of Levy	
2016	2,909,868	2,909,868	100.00%	-
2017	2,925,115	2,925,115	100.00%	-
2018	2,929,015	2,956,274	100.00%	-
2019	2,956,274	3,035,626	100.00%	-
2020	3,035,626	3,125,946	100.00%	-
2021	3,125,946	3,221,696	100.00%	-
2022	3,221,696	3,221,696	100.00%	-
2023	3,185,905	3,185,905	100.00%	-
2024	3,007,393	3,007,393	100.00%	-
2025	2,905,818	2,672,744	91.98%	233,074

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Business- Type Activities</u>	<u>Total District</u>	Percentage of Personal Income	<u>Per Capita</u>
	General Obligation Bonds	Certificates of Participation	Capital Leases			
2016	980,000	-	-	980,000	1753%	389.51
2017	925,000	-	-	925,000	1614%	370.15
2018	865,000	-	-	865,000	1462%	347.67
2019	805,000	-	-	805,000	1307%	323.81
2020	745,000	-	-	745,000	1146%	299.80
2021	680,000	-	-	680,000	977%	274.19
2022	475,000	-	-	475,000	670%	246.89
2023	545,000	-	-	545,000	730%	218.79
2024	475,000	-	-	475,000	-	186.79
2025	405,000	-	-	405,000	-	-

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2016	980,000	-	980,000	0.8635%	389.51
2017	925,000	-	925,000	0.7856%	370.15
2018	865,000	-	865,000	0.7109%	347.67
2019	805,000	-	805,000	0.6480%	323.81
2020	745,000	-	745,000	0.5896%	299.80
2021	680,000	-	680,000	0.5464%	274.19
2022	615,000	-	615,000	0.4941%	246.89
2023	545,000	-	545,000	0.4379%	218.79
2024	475,000	-	475,000	0.3943%	188.94
2025	405,000	-	405,000	0.3362%	161.55

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

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

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

BEVERLY CITY SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
UNAUDITED

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

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

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

Equalized valuation basis		2025	123,023,456									
		2024	123,566,961									
		2023	119,816,748									
		[A]	366,407,165									
Average equalized valuation of taxable property	[A/3]	\$	122,135,722									
Debt limit (3% of average equalization value)	[B]		3,664,072									
	[C]		-									
	[B-C]	\$	3,664,072									
Fiscal Year												
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit		\$ 3,648,337	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097	\$ 3,586,636	\$ 2,398,064	\$ 3,664,072
Total net debt applicable to limit		-	-	-	-	-	-	-	-	-	-	-
Legal debt margin		\$ -	\$ 3,612,193	\$ 3,601,107	\$ 3,597,886	\$ 3,586,347	\$ 3,582,616	\$ 3,574,772	\$ 3,586,097	\$ 3,586,636	\$ 2,398,064	\$ 3,664,072
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%	0.00%

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

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

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

Year	Burlington County Per		
	Population ^a	Income ^c	Unemployment Rate ^d
2016	2,499	55,904	7.9%
2017	2,488	57,297	7.1%
2018	2,486	59,148	6.5%
2019	2,485	61,572	5.4%
2020	2,480	65,007	12.8%
2021	2,491	69,624	7.6%
2022	2,507	70,908	4.9%
2023	2,514	74,684	6.3%
2024	2,543	-	7.2%
2025	-	-	0.0%

Source:

* 2010 Census

^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income estimated^c Per capita information provided by the US Department of Commerce, Bureau of Economic Analysis.^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

	2025			2016		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
Information not available						
	-		0.00%	-		0.00%

Source:

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	18.0	20.0	20.0	20.0	20.0	20.0	23.0	23.0	23.0	23.0
Special education	5.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
Other special education	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Support Services:										
Student & instruction related services	12.0	13.0	13.0	17.0	17.0	17.0	22.0	22.0	22.0	22.0
School Administrative Services	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General administration	4.5	4.5	4.5	5.0	5.0	5.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation	-	-	-	1.0	1.0	1.0	0.5	0.5	0.5	0.5
Business & Other support services	5.0	5.0	5.0	6.2	6.2	6.2	1.5	1.5	1.5	1.5
Total	<u>54.5</u>	<u>58.0</u>	<u>58.0</u>	<u>63.2</u>	<u>63.2</u>	<u>63.2</u>	<u>64.0</u>	<u>64.0</u>	<u>64.0</u>	<u>64.0</u>

Source: District Personnel Records

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

BEVERLY CITY SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	291	6,563,796	22,556	1.04%	18.00	10.1:1	294.2	279.9	-2.78%	95.14%
2017	295	6,463,650	21,364	-1.85%	31.00	9.8:1	303.8	287.8	3.26%	94.73%
2018	305	6,997,658	22,943	7.39%	31.00	9.5:1	293.3	279.2	-3.46%	95.19%
2019	304	7,593,522	24,979	8.87%	30.00	10.2:1	307.4	290.8	4.81%	94.60%
2020	317	8,074,141	25,470	11.02%	30.00	10.6:1	317.4	298.2	3.15%	93.95%
2021	324	8,916,055	27,519	19.94%	30.00	10.6:3	318.8	293.2	0.44%	91.97%
2022	334	9,242,173	27,671	20.61%	34.00	9.7:1	329.4	290.3	3.31%	88.15%
2023	339	10,691,269	31,538	113.97%	34.00	9.9:1	339.0	303.0	2.91%	89.38%
2024	339	10,775,782	31,787	100.79%	34.00	10.1:1	335.6	311.9	-1.92%	92.94%
2025	335	11,023,405	32,906	104.34%	34.00	9.6:1	339.4	316.5	1.56%	93.27%

Sources: District records

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

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

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
District Building										
Elementary										
BEVERLY CITY Elementary										
Square Feet	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112	38,112
Capacity (students)	286	286	286	286	286	286	286	286	346	346
Enrollment	291	295	305	304	317	324	334	339	335	335

Number of Schools at June 30, 2024:

Elementary = 1

Source: District Facilities Office

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

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

* School Facilities Project # (s)	Beverly City Elementary School	Total
2016	69,084	69,084
2017	68,733	68,733
2018	89,143	89,143
2019	73,577	73,577
2020	49,757	49,757
2021	101,287	101,287
2022	85,098	85,098
2023	97,168	97,168
2024	170,005	170,005
2025	160,790	160,790
Total School Facilities	<u>\$ 964,642</u>	<u>\$ 964,642</u>

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

Source: District records

BEVERLY CITY SCHOOL DISTRICT
Insurance Schedule
June 30, 2025
UNAUDITED

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

SINGLE AUDIT SECTION



K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beverly City School District in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise of the Beverly City School District basic financial statements, and have issued our report thereon dated December 5, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

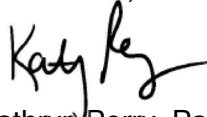
As part of obtaining reasonable assurance about whether the Beverly City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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

Respectfully Submitted,

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



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

Toms River, New Jersey
December 5, 2025



K-2

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

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

Report on Compliance for Each State Program

Opinion on Each Major State Program

We have audited the Beverly City School District'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 Beverly City School District's major state programs for the year ended June 30, 2025. Beverly City School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Beverly City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2025.

Basis for Opinion on Each State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Beverly City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, New Jersey OMB Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Beverly City School District's compliance with the requirements of each major 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 Beverly City School District's, compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Beverly City School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Beverly City School District's, internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

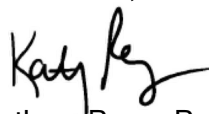
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

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



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

Toms River, New Jersey
December 5, 2025

BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2024	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2025		
				From	To					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Health & Human Services												
General Fund:												
Medical Assistance Program	93.778	2005NJ5MAP	9,939	7/1/2024	6/30/2025	\$ -	\$ 9,939	\$ (9,939)	\$ -	\$ -	\$ -	\$ -
Impact Aid	84.041	S041B243037	37,554	7/1/2024	6/30/2025	-	37,554	(37,554)	-	-	-	-
						-	47,493	(47,493)	-	-	-	-
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Food Service Fund:												
Food Distribution Program	10.565	251NJ304N1099	37,105	7/1/2024	6/30/2025	-	37,105	(37,105)	-	-	-	-
P-EBT Administrative Costs Grant	10.649	202424N180341	322	7/1/2024	6/30/2025	-	322	(322)	-	-	-	-
Child Nutrition Cluster:												
National School Lunch Program	10.555	251NJ304N1099	136,368	7/1/2024	6/30/2025	-	124,844	(136,368)	-	(11,524)	-	-
National School Lunch Program	10.555	241NJ304N1099	112,127	7/1/2023	6/30/2024	(8,464)	8,464	-	-	-	-	-
National School Breakfast Program	10.553	251NJ304N1099	39,407	7/1/2024	6/30/2025	-	39,407	(39,407)	-	-	-	-
National School Breakfast Program	10.553	241NJ304N1099	35,967	7/1/2023	6/30/2024	(2,386)	2,386	-	-	-	-	-
Local Food For Schools Cooperative Agreement Program	10.185	AM22CPLFS000C015	1,116	7/1/2024	6/30/2025	-	1,116	(1,116)	-	-	-	-
Subtotal of Child Nutrition Cluster						(10,850)	176,539	(177,213)	-	(11,524)	-	-
Total Food Service Fund						(10,850)	213,644	(214,318)	-	(11,524)	-	-
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue Fund:												
Special Education Cluster												
I.D.E.A. Part B, Basic Regular	84.027	H027A240100	131,796	7/1/2024	9/30/2025	-	131,796	(131,796)	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	H173A240114	3,676	7/1/2024	9/30/2025	-	3,676	(3,676)	-	-	-	-
Subtotal of Special Education Cluster						-	135,472	(135,472)	-	-	-	-
Title I, Part A	84.010	S010A240030	180,060	7/1/2024	9/30/2025	-	180,060	(180,060)	-	-	-	-
Title II, Part A	84.367A	S367A240029	17,339	7/1/2024	9/30/2025	-	17,339	(17,339)	-	-	-	-
Title IV	84.424	S424A240031	10,000	7/1/2024	9/30/2025	-	12,701	(12,701)	-	-	-	-
Elementary and Secondary Education Cluster:												
ARP ESSER	84.425U	S425U210027	1,219,868	7/1/2023	9/30/2024	-	5,000	(5,000)	-	-	-	-
Subtotal Elementary and Secondary Education Cluster						-	5,000	(5,000)	-	-	-	-
U.S. Department of Treasury												
Coronavirus State and Local Fiscal Recovery Fund												
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	107,948	7/1/23	6/30/24	(107,948)	107,948	-	-	-	-	-
Total Special Revenue Fund						(107,948)	350,572	(350,572)	-	-	-	-
						\$ (118,798)	\$ 611,709	\$ (612,383)	\$ -	\$ (11,524)	\$ -	\$ -

See accompanying notes to schedules of expenditures.

BEVERLY CITY SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2024			Balance at June 30, 2025			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Transportation Aid	25-495-034-5120-014	\$ 193,173	7/1/2024	6/30/2025	\$ -	\$ 173,015	\$ (193,173)	\$ -	\$ -	\$ -	\$ 20,158	\$ 193,173
Special Education Aid	25-495-034-5120-012	182,606	7/1/2024	6/30/2025	-	163,551	(182,606)	-	-	-	19,055	182,606
Equalization Aid	25-495-034-5120-078	5,446,194	7/1/2024	6/30/2025	-	4,877,869	(5,446,194)	-	-	-	568,325	5,446,194
Extraordinary Aid	24-495-034-5120-044	82,626	7/1/2023	6/30/2024	(82,626)	82,626	-	-	-	-	-	-
Extraordinary Aid	25-495-034-5120-044	107,121	7/1/2024	6/30/2025	-	-	(107,121)	(107,121)	-	-	-	107,121
Security Aid	25-495-034-5120-084	105,269	7/1/2024	6/30/2025	-	94,284	(105,269)	-	-	-	10,985	105,269
Adjustment Aid	25-495-034-5120-085	758,309	7/1/2024	6/30/2025	-	679,177	(758,309)	-	-	-	79,132	758,309
Non-Public Transportation	24-495-034-5120-014	10,920	7/1/2023	6/30/2024	(10,920)	10,920	-	-	-	-	-	-
Non-Public Transportation	25-495-034-5120-014	10,274	7/1/2024	6/30/2025	-	-	(10,274)	(10,274)	-	-	-	10,274
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	1,159,743	7/1/2024	6/30/2025	-	1,159,743	(1,159,743)	-	-	-	-	1,159,743
On-Behalf TPAF Post-Retirement Medical	25-495-034-5094-001	338,878	7/1/2024	6/30/2025	-	338,878	(338,878)	-	-	-	-	338,878
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	712	7/1/2024	6/30/2025	-	712	(712)	-	-	-	-	712
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	252,630	7/1/2024	6/30/2025	-	240,317	(252,630)	(12,313)	-	-	-	252,630
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	239,908	7/1/2023	6/30/2024	(11,379)	11,379	-	-	-	-	-	-
Total General Fund					(104,925)	7,832,471	(8,554,909)	(129,708)	-	-	697,655	8,554,909
Special Revenue Fund:												
Preschool Education Aid	25-495-034-5120-086	844,635	7/1/2024	6/30/2025	-	844,635	(844,635)	-	-	-	-	844,635
Total Special Revenue Fund					-	844,635	(844,635)	-	-	-	-	844,635
Food Service Fund:												
Summer P-EBT Administrative Costs Grant	25-100-010-3350-023	321	7/1/2024	6/30/2025	-	321	(321)	-	-	-	-	-
National School Lunch Program (State Shared)	25-100-010-3350-023	10,473	7/1/2024	6/30/2025	-	9,914	(10,473)	(559)	-	-	-	-
National School Lunch Program (State Shared)	24-100-010-3350-023	12,459	7/1/2023	6/30/2024	(928)	928	-	-	-	-	-	-
Total Food Services Fund					(928)	11,163	(10,794)	(559)	-	-	-	-
Total State Financial Assistance for testing					\$ (105,853)	\$ 8,688,269	\$ (9,410,338)	\$ (130,267)	\$ -	\$ -	\$ 697,655	\$ 9,399,544
State Financial Assistance Not Subject to Single Audit Determination												
General Fund:												
On-Behalf TPAF Pension Contribution	25-495-034-5094-002	1,159,743	7/1/2024	6/30/2025	-	1,159,743	(1,159,743)	-	-	-	-	-
On-Behalf TPAF Post-Retirement Medical	25-495-034-5094-001	338,878	7/1/2024	6/30/2025	-	338,878	(338,878)	-	-	-	-	-
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	712	7/1/2024	6/30/2025	-	712	(712)	-	-	-	-	-
Total State Financial Assistance Not Subject to Single Audit Determination					-	1,499,333	(1,499,333)	-	-	-	-	-
Total State Financial Assistance					\$ (105,853)	\$ 7,188,936	\$ (7,911,005)	\$ (130,267)	\$ -	\$ -	\$ 697,655	\$ 9,399,544

See accompanying notes to schedules of expenditures.

Beverly City School District

Notes to the Schedules of Awards and Financial Assistance

June 30, 2025

1. General

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

2. Basis of Accounting

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

3. Relationship to General Purpose Financial Statements

Relationship to Basic Financial Statements

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

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

Beverly City School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2025

3. Relationship to General Purpose Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(1,201,669) for the general fund and \$- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 47,493	\$ 7,353,240	\$ 7,400,733
Special Revenue Fund	350,572	844,635	1,195,207
Capital Projects Fund	-	332,570	332,570
Food Service Fund	<u>177,213</u>	<u>10,473</u>	<u>187,686</u>
Total awards and financial assistance	\$ <u>575,278</u>	\$ <u>8,540,918</u>	\$ <u>9,116,196</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2025.

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

6. Indirect Costs

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

Beverly City School District
Schedule of Findings and Questioned Costs

June 30, 2025

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- | | | | |
|----|--|----------|----------------------|
| 1) | Material weakness(es) identified? | _____yes | ___X___no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____yes | ___X___none reported |

Noncompliance material to general-purpose financial statements noted?	_____yes	___X___no
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Federal Awards Section N/A

Internal Control over major programs:

- | | | | |
|----|--|----------|------------------|
| 1) | Material weakness(es) identified? | _____yes | ___no |
| 2) | Significant deficiencies identified that are not considered to be material weaknesses? | _____yes | ___none reported |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a) of the Uniform Guidance?	_____yes	___no
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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
----------------	------------------------------------

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

Auditee qualified as low-risk auditee?	_____yes	___no
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Beverly City School District

Schedule of Findings and Questioned Costs (continued)

June 30, 2025

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

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
-------------------------------	-----------------------

State Aid-Public Cluster

495-034-5020-085	Adjustment Aid
495-034-5020-089	Special Education Aid
495-034-5020-084	Security Aid
495-034-5120-078	Equalization Aid

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

Beverly City School District
Summary Schedule of Prior Audit Findings
June 30, 2025

Summary Schedule of Prior Audit Findings - N/A